



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

ATTENTION!!

ATTENTION!!

ATTENTION!!

FBIS will phase out publication of most of its paper reports, including ALL Daily Reports and most FBIS Reports, by 31 December 1996.

See inside for information on how to access FBIS products and services electronically.

FBIS-EAS-96-155
Friday
9 August 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Dear Customer:

Responding to our many customers' requests, NTIS is offering FBIS publications electronically. Due to resource limitations, hardcopy production of FBIS publications will be phased out during 1996. Hardcopy reports which have already been discontinued include *Arms Control & Proliferation Issues*, *Environment & World Health*, *Narcotics*, and *Terrorism*.

Hardcopy publication of the regional DAILY REPORTS will cease as follows:

1 August	<i>China, Latin America</i>
19 August	<i>Near East and South Asia, West Europe, Sub-Saharan Africa, West Europe Economic Review</i>
2 September	<i>East Asia, East Europe, East Europe Economic Review</i>
16 September	<i>Central Eurasia, Central Eurasia Military Affairs, Central Eurasia Economic Review</i>

FBIS' goal is to cease publication of all hardcopy reports by 31 December 1996 except for S&T PERSPECTIVES, S&T CENTRAL EURASIA, S&T CHINA, S&T KOREA, S&T EUROPE, and S&T JAPAN. The S&T reports will continue to be published as hardcopy until the graphics they contain can be disseminated on-line.

FBIS products are offered electronically through the National Technical Information Service's (NTIS) "World News Connection" (WNC). This is a new on-line subscription service accessible through the World Wide Web. The Web address is <http://wnc.fedworld.gov>. Please see the next page for a subscription form or call NTIS Fax Direct at 703-487-4140 and enter product code 8645 to receive more information.



World News Connection™

A Foreign News Alert Service
from
the U.S. Government

World News Connection - WNC1.....	\$ 21
7 Day - Introductory Offer	
Unlimited interactive searching	
[no profiles]	
Order number SUB-9856BDQ	
World News Connection - WNC2.....	\$ 50
Monthly	
Unlimited interactive searching	
[no profiles]	
Order number PB95-985700BDQ	
World News Connection - WNC3.....	\$ 75
Monthly	
Unlimited interactive searching	
[1 profile]	
Order number PB95-985800BDQ	
World News Connection - WNC4.....	\$100
Monthly	
Unlimited interactive searching	
[up to 5 profiles]	
Order number PB95-985900BDQ	
(Prices are subject to change)	

User Name (Please Print or Type)

Internet E-mail Address (Required)

Order Number

Price

1) _____

2) _____

(Continue on a blank sheet if more space is required)

Deposit Account Number (for NTIS account customers only): _____

Customer Master Number (if known): _____ Date: _____

Contact Name: _____ Organization: _____

Street Address: _____ City: _____ State: _____ Zip: _____

Province/Territory: _____ Country: _____

Foreign Postal Code: _____

Internet E-mail Address (Organization contact person): _____

Telephone Number: () _____ Fax Number: () _____

Credit Card Number: _____

Credit Card Expiration Date: _____

Card Type (Visa, Master Card, or American Express): _____

Cardholder's Name (as printed on the credit card): _____

Cardholder's Signature (required to validate all orders): _____

(Please fax this form back to NTIS at 703-321-8547. Fax service is available 24 hours a day, 7 days a week.
To verify receipt of your fax, call (703) 487-4679 between 7:00am - 5:00pm, Monday - Friday, Eastern Time.)

Daily Report

East Asia

FBIS-EAS-96-155

CONTENTS

9 August 1996

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Japan: Sumitomo Bank Asked To Honor U.S. Order on Iran [KYODO]	1
Tokyo Proposes Payment of U.S. Forces Car Accidents [MAINICHI SHIMBUN 8 Aug]	1
Japan: Former Admiral on South China Sea Balance [SEKAI NO KANSEN Aug]	1
Japan: Hashimoto Urges LDP Prudence in Receiving DPRK Group [KYODO]	7
Japan: Group Drops Bid To Legitimize Senkaku Lighthouse [KYODO]	7
Tokyo To Support Export-Oriented Russian Industries [NIHON KEIZAI SHIMBUN 8 Aug]	7
Japan: Fund To Begin Payments to Wartime 'Sex Slaves' in Philippines [KYODO]	8
Tokyo To Extend 50 Million Yen in Cultural Aid to Thailand [KYODO]	8
Japan: MOF Approves Subsidiaries of Life, Nonlife Insurers [NIHON KEIZAI SHIMBUN 6 Aug]	8
Japan: Okinawa Maps Out Deregulation Plans for Economic Promotion [ASAHI SHIMBUN 6 Aug]	9
Japan: MAFF Mandates Country-of-Origin Tags for Vegetable Imports [KYODO]	9
Japan: MITI To Launch Probe Into Chinese Textile Imports [KYODO]	10
Japan: Fujitsu Adjusts Flash Memory Sales, Production Plans [KYODO]	10
Japan: Hitachi, Hewlett-Packard in Network Software Tie-Up [KYODO]	10
Japan: Toyota Denies Report on Tie-up With Texas Instruments [KYODO]	11
Japan: Welfare Minister Naoto Kan Deemed Public Hero [SEIKAI May]	11

North Korea

DPRK: Planned ROK-U.S. 'Ulchi Focus Lens' Exercise 'Aggravating' [KCNA]	16
DPRK: Analyst Denounces ROK-U.S. 'Ulchi Focus Lens' [KCNA]	16
DPRK: Committee Denounces ROK Ban on Pannational Rally [KCNA]	17
DPRK: CPRF Denounces ROK Attempted Kidnapping of Students [KCNA]	17
DPRK: ROK Attempt To 'Kidnap' Students in Berlin Denounced [KCNA]	18
DPRK: Group Calls ROK Attempt 'To Kidnap' Students Terrorism [KCNA]	18
DPRK: Thai University Delegation Visits Kim Il-song Statue [KCNA]	19
DPRK: Pak Song-chol, Yang Hyong-sop Meet Brazilian Delegates [KCNA]	19
DPRK: NODONG SINMUN Commentator Views Relations With Japan [KCNA]	19
DPRK: Nongovernmental Relief Group for DPRK Formed in Japan [Pyongyang Radio]	20
DPRK: People 'Very Grateful' for Foreign Flood Aid [KCNA]	20
DPRK: Administration Council Organs Help Flood Victims [Pyongyang Radio]	21
DPRK: Pyongyang Central Organs Send Aid to Flood Victims [Pyongyang Radio]	21
DPRK: Meeting Marks Anniversary of Literary, Art Press Group [KCNA]	21
DPRK: Meeting Marks Law on Nationalization of Industries [KCNA]	22
DPRK Political Essay Stresses All-Out Efforts for Farming [NODONG SINMUN 20 May]	23
DPRK Editorial Stresses Support for Farming [NODONG SINMUN 23 May]	26

South Korea

ROK: Ssangyong, U.S. Firm Form Joint Venture Investment Company [THE KOREA HERALD 9 Aug]	27
ROK: Seoul Formally Denies Any Secret Contacts With DPRK [YONHAP]	28

ROK: Red Cross Official Interviewed on Relief Goods in DPRK [HANGYORE SINMUN 8 Aug]	28
ROK: Japan's Kajiya Calls ROK Envoy, Apologizes for Remarks [YONHAP]	29
ROK: Japan Still Disagree on How To Revise Fishing Treaty [YONHAP]	30
ROK: Kim Yong-sam Sends Jiang Zemin Cable on PRC's Floods [YONHAP]	31
ROK: Business Delegation Planning Visit to Taiwan [YONHAP]	31
ROK: South Korean Seeks Political Asylum in Germany [Seoul Radio]	31
ROK Decides To 'Crack Down' on Illegal Student Activism [YONHAP]	32
ROK: Transparency in Nuclear Plant Operations Urged [The Digital Chosun Ilbo WWW]	32
ROK Article Views Creation of New Maritime Ministry [THE KOREA HERALD 9 Aug]	33
ROK: Deputy Premier Na Replaced Over Budget 'Clash' With NKP [THE KOREA TIMES 9 Aug]	33
ROK: Han Sung-su Says Government Should Redefine Economic Role [YONHAP]	34

SOUTHEAST ASIA

Burma

Burma: Railroads Built With Defense Services Personnel Labor [THE NEW LIGHT OF MYANMAR 8 Aug]	36
---	----

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Rafidah, Australia's Downer Discuss U.S. Sanctions [THE STAR 9 Aug]	36
---	----

Singapore

Singapore: 1995 Investment in PRC's Fujian Province Jumps 60% [BUSINESS TIMES 9 Aug]	37
Singapore: Investigation Shows No Airspace Abuse in Malaysia [THE STRAITS TIMES 9 Aug]	37

Cambodia

Cambodia: Hun Sen Appeals to Other Khmer Rouge To Defect [Phnom Penh Radio]	38
Cambodia: Hun Sen: Officials Now in Khmer Rouge Defectors' Bases [AFP]	38
Cambodia: Pheap Says Khmer Rouge Now Split in Two Movements [AFP]	39
Cambodia: Khmer Rouge Orders Chhien Arrested for Treason [Radio PGNUNS]	39

Indonesia

Indonesia: Minister Criticizes U.S. Sanctions on Iran, Libya [Jakarta Radio]	41
Indonesia: MP Accuses U.S. of 'Interference' in Internal Affairs [Jakarta Radio]	41
Indonesia: Interview With Indonesian Opposition Leader [THE NATION 9 Aug]	41
Indonesia: Megawati Interviewed on Political Goals, Democracy [Hamburg DIE WOCHE 9 Aug]	43
Indonesia: Megawati Arrives at Police Headquarters for Questioning [AFP]	44
Indonesia: Police Question PDI's Megawati, Colleague [SUARA PEMBARUAN 9 Aug]	44
Indonesia: 232 Vietnamese Refugees Repatriated by Air [Jakarta Radio]	45

Laos

Laos: Vietnamese Border Group Arrives for Annual Meeting [KPL]	45
Laos: Foreign Minister's Activities in New Zealand Reported [KPL]	45

Thailand

Thailand: Court Extradites Khun Sa's Associate to U.S. [BANGKOK POST 9 Aug]	46
---	----

Thailand: Tax Pact With U.S. Planned Before Clinton's Visit [THAILAND TIMES 9 Aug]	46
Thailand: Ministry Seeks To Beef Up Exports to ASEAN Market [THE NATION 9 Aug]	46
Thailand: Pramont: Chawalit To Have 'Final Say' in Reshuffle List [BANGKOK POST 9 Aug]	47
Thailand: Minister Chaloom Leads Push To Oust Prime Minister [THE NATION 9 Aug]	47
Thailand: Prime Minister Instructs Officials on Narcotics, Crime [Bangkok Radio]	49
Thailand's NSC: Military, Police in Immigration Racket [THE NATION 9 Aug]	49

Vietnam

SRV: Do Muoi Receives U.S. Democratic Party Delegation [VNA]	50
SRV: Radio Reports Reaction to U.S. Sanctions on Iran, Libya [Hanoi International]	50
SRV: Party Paper Views Terrorism Against United States [NHAN DAN 4 Aug]	50
SRV: Sino-Vietnamese Joint Working Group Meets [VNA]	51
SRV: Cultural Cooperation Agreement Signed With Thailand [VNA]	52
SRV: Nguyen Manh Cam Receives Lao Assembly Delegation [Hanoi Radio]	52
SRV: Vietnam-Russia Friendship Association Formed [VNA]	52
SRV: Cuban Institute of Friendship Delegation Visits [VNA]	52
SRV: Vietnam-Macao Air Services Agreement Signed [VNA]	53
SRV: Totally Foreign-Invested Projects Reportedly Increase [VNA]	53
SRV: Man Arrested for Trafficking in Fake Banknotes [Hanoi Radio]	53
SRV: Institute Official Discusses Socialist Orientation [TAP CHI CONG SAN Mar]	53

Japan

Japan: Sumitomo Bank Asked To Honor U.S. Order on Iran

OW0908042996 Tokyo KYODO in English
0005 GMT 9 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 9 KYODO — The U.S. Treasury Department has instructed Japan's Sumitomo Bank to halt a business operation which it deemed as a violation of a presidential order issued in connection with economic sanctions against Iran, a spokesman at Sumitomo said Friday.

The Treasury Department notified Sumitomo Bank on July 10 that its issuance of traveler checks in Iran and their settlement in New York constitutes a violation of rules stipulated for enforcement in the order President Bill Clinton issued in May of last year regarding sanctions against Iran, the spokesman said.

Sumitomo Bank has stopped the business operation in question within a week in response to U.S. instructions, the spokesman said.

He said the Treasury Department did not punish Sumitomo for the violation.

Tokyo Proposes Payment of U.S. Forces Car Accidents

OW0908052796 Tokyo MAINICHI SHIMBUN
in Japanese 8 Aug 96 Morning Edition p 1

[By reporter Akira Fukui]

[FBIS Translated Text] On 7 August, the government and the ruling parties began negotiations with the United States on the review of the Japan-U.S. Status of Forces Agreement [SOFA] in connection with Okinawa's U.S. bases-related issues. During the talks, the Japanese side proposed that the Japanese Government pay compensation to victims of car accidents involving U.S. military personnel and that U.S. servicemen who caused the accidents pay back later on. The United States is currently studying the proposal. If Washington accepts the offer, Liberal Democratic Party [LDP] Secretary General Koichi Kato will inform Okinawa Governor Masahide Ota of the plan when he meets him on 23 August. It is expected that Japan and the United States will reach an official agreement on the plan during a (two plus two) meeting of defense and foreign ministers slated for late September.

The plan calls on the Japanese Government to pay compensation to victims of car accidents on behalf of U.S. servicemen who caused the accidents, calls for smooth payment of compensation, and urges U.S. military personnel to have voluntary auto insurance.

According to Naha Defense Facilities Administration Bureau, the number of car accidents in Okinawa involving U.S. military personnel was 1,023 in FY93 and 1,024 in FY94. The figures include those occurred during U.S. servicemen's off-duty hours.

The present SOFA gives the U.S. military the authority to decide whether or not compensation should be made and on the amount of compensation. This has caused many cases in which victims of car accidents were not paid sufficient compensation. In November, 1995, the Okinawa prefectural government demanded that it be stipulated in the SOFA that the Japanese Government pay compensation for U.S. military personnel, claiming: "It takes many days for victims to get paid compensation because of time-consuming negotiations with the U.S. forces."

During a meeting with Prime Minister Ryutaro Hashimoto at the end of last month, senior officials of the LDP Okinawa chapter, including Chairman Kenjiro Nishida, urged the government to realize a system for smooth payment of car accident compensation in reviewing SOFA.

The Okinawa prefectural office has demanded the revision of Article 18 of SOFA on car accident compensation. However, because the United States is expected to oppose the revision, the government may seek agreement by proposing the improvements of the implementation of SOFA. A senior official of the LDP Okinawa chapter said: "It is best if SOFA itself is revised. But the important thing is to improve procedures for paying car accident compensation because it is an urgent issue for Okinawa residents," indicating that Okinawa would leave the matter to the hands of the central government.

An interim report issued in April by the Japan-U.S. Special Action Committee on Okinawa (SACO) referred to car accident compensation, saying: "The education of U.S. military personnel concerning voluntary auto insurance should be expanded." The effects of this call, however, were questioned because it merely said: "It is recommended that newly arrived U.S. servicemen are given education on the advantages of having voluntary auto insurance."

Japan: Former Admiral on South China Sea Balance

OW0808131796 Tokyo SEKAI NO KANSEN
in Japanese Aug 96 pp 70-77

[Article by Sumihiko Kawamura, military analyst and retired Rear Admiral, Maritime Self-Defense Force;

original title "Sea Power Balance Around the South China Sea")

[FBIS Translated Text] The South China Sea is an area of water surrounded by 10 regions/nations—Taiwan, the Philippines, Brunei, Malaysia, Indonesia, Singapore, Thailand, Cambodia, Vietnam, and China in a clockwise order from the north. The waters include the Pratas Islands, the Paracel Islands and the Spratly Islands. These islands are unmanned coral islets about one meter above the sea level.

The Pratas Islands are effectively controlled by China; its territorial right has been established.

The Paracel Islands have been virtually controlled by China since 1974, but Vietnam also claims them. China and Vietnam both claim all the Spratly Islands, while the Philippines, Malaysia, Brunei and Taiwan claim some of the islands. The South China Sea has proved through seabed probes to have such natural resources as oil and natural gas. The claims to these islands by the surrounding nations are apparently due to possible monopolization of submarine and fishery resources in the waters rather than the islands themselves.

Also, important sea lanes that link Northeast Asia with the Middle East, Europe, and Southeast Asia pass near these islands.

Not only the surrounding nations but also the United States and Australia must be taken into account in considering the sea power balance in the South China Sea. Most nations in the Asia-Pacific region want the U.S. forces to maintain their firm presence in the region for the prevention of conflicts and stability of the region, and the United States has officially confirmed its intention of maintaining about 100,000 troops in East Asia. Meanwhile, Australia has been actively trying to develop bilateral defense cooperation with the members of the Association of Southeast Asian Nations (ASEAN) in addition to those of the Five-Party Defense Agreement (FPDA; to which Britain, Australia, New Zealand, Malaysia and Singapore are signatories) and maintain a firm presence in the ASEAN region. The relationship between Australia and ASEAN is expected to become closer.

The Soviet Union gained an advance base in Cam Ranh Bay during the Cold War and fiercely competed with the United States in this area. Now, however, the former Soviet Union is divided into 15 ethnic republics, remaining as Russia, an ethnic nation with vast land. However, Russia currently almost cannot afford to deploy its troops abroad due to a sharp reduction in military spending after the end of the Cold War and the chaotic political and economic situations within

the country. There is still a strong desire to return to the Communist rule in Russia, and the return to the superpower status and a hardline attitude toward the West are drawing support from a wide spectrum of people, but the confusion in the country is expected to continue for the time being.

Anyway, Russia is unlikely for now to recover as a great power like the former Soviet Union, lacking not only military power but the foundation to produce total national power, including technical and economic power, to support it.

Overall Situation for South China Sea

When the South China Sea situation is studied as a whole, conspicuous points are China's advance and the inclination of surrounding nations to modernize their navies as well as concern about conflicts these moves could bring about.

In recent years, countries in the Asia-Pacific region have achieved remarkable economic development, but most of them depend heavily on sea transport for imports of energy and resources and exports of products. Nations have freely used the sea, and their ships have safely sailed the oceans. Ensuring the freedom of navigation is a vital problem for countries whose existence and prosperity depend on sea transportation. A sea lane connecting the Pacific and the Indian Ocean goes through the South China Sea.

The stability of the region is of great importance for third countries that have nothing to do with territorial claims over the islands.

At the time of the Iran-Iraq war, tankers of third countries were caught up in the conflict. Not only were they stranded for a long time, but the ships and crew suffered damage. Moreover, the damage to the ships brought major destruction to the environment in the area. A sea lane will not be severed even in case of increased tension or conflict if it goes through wide waters as ships can bypass the troubled area. But detouring increases the time required for transportation and transportation costs and sharply boosts insurance premiums, inevitably affecting seriously the economies of countries that are not parties to the conflict.

The largest cause of the instability of the strategic environment of the South China Sea is the advance of China. The primary motivations driving China into the South China Sea are future food and energy shortages. China has advanced into the waters with its rapidly expanding naval power, as if to fill vacancies created by the decreased presence of the United States and Russia in the South China Sea after the end of the Cold War.

China's military power is outstanding among the countries around the South China Sea. China's forcible advance to the Paracel and Spratly islands has apparently triggered efforts by countries concerned to modernize their navies.

In February 1992, China proclaimed a new territorial waters law making clear that not only the Paracel and Spratly islands but the Senkaku Islands as well are its territories, even declaring that it will expel with force those who violate its territorial waters. The buildup of an ocean-going navy with aircraft carriers as its core is a long-cherished dream for China.

The country has steadily been building up its navy on an extremely long-term basis.

In 1992, there were press reports that Ukraine would sell the aircraft carrier Varyag, which was being built at that time, to China.

The countries concerned were deeply annoyed, but the plan was eventually dropped. Since then, however, China has successively bought Kilo-class submarines and Su-27 fighters from Russia to improve the operational capabilities of its navy and air force in the open sea.

An encounter between China's Han-class nuclear submarine and the CV-63 task force of the U.S. carrier Kitty Hawk in the Yellow Sea in October 1994 is remembered as an incident that symbolizes China's steady efforts to modernize its navy.

As explained above, the largest reason for the race of South China Sea countries to modernize their navies is China's forceful advance. Factors spurring them are the limits of the security system surrounding the South China Sea and effectuation of the new U.N. Convention on the Law of the Sea.

These countries' military modernization programs centering on navies cannot be called a serious military expansion race. But levels to be achieved by them tend to be too high and the countries look at each other with suspicious eyes.

However, these countries have only recently set up an organization for discussing regional security issues and it has yet to operate fully. There is the ASEAN grouping in Southeast Asia, but its main objectives were regional economic development and cooperation. The ASEAN Regional Forum (ARF) was set up in November 1994 at last and now has 21 members. On a long-term basis, the ARF aims to have a function to deal with Asia-Pacific regional conflicts, but its most important approach for now is building confidence. However, it has so far done nothing to cope with tensions on the Korean Peninsula

and in the Taiwan Strait, which demonstrates the ARF's limits. The countries around the South China Sea have only just started measures to build confidence among them, such as the disclosure and opening of national defense policies and facilities and an agreement for the prevention of accidents; such measures are still far from producing specific achievements. Each country is building up its forces on its own judgment based on situations in neighboring nations, not on the basis of strategic judgment of the region as a whole. As a result, the forces sometimes look too excessive for third countries.

The U.N. Convention on the Law of the Sea, which took effect in November 1994, stipulates the establishment of 200-mile exclusive economic zones (EEZ's) and archipelago zones, rights of passage and navigation and rules concerning maritime interests of countries. The treaty's requirement to clarify territorial rights over places that serve as the basis for establishing these zones rekindled the territorial disputes involving the islands which have been treated ambiguously.

The treaty triggered moves to beef up naval forces, giving rise to nationalism in the Asia-Pacific waters centering on the South China Sea.

Situations in South China Sea Countries

Taiwan

The main vessels Taiwan has are seven missile destroyers, 15 destroyers (with antiship missiles), four missile frigates, 12 frigates, four submarines, 16 mine warfare vessels, 21 amphibious vessels, and 98 patrol and other boats. Taiwan plans to cut the army and instead modernize the navy and air force. It is a buildup plan matching the realities of the defense of Taiwan, whose armed forces are developing into those able to conduct fully operations in the South China Sea.

The plan to beef up the naval and air forces is very ambitious. According to the navy's Kuanghua Project, it plans to introduce six French-made Lafayette-class frigates in addition to 16 U.S.-made Oliver Hazard Perry-class missile frigates. Upon their introduction, Taiwan will have 31 state-of-the-art main vessels. A budget has been approved for 10 new model submarines. Taiwan is reportedly holding talks for their purchases with industrialized countries.

The buildup plan for the air force started this year.

It will begin introduction of 60 Mirage 2000 fighters from France and 150 F-16A/B from the United States. About 130 units of the domestic Chingkuo fighter will also be manufactured. As a result, Taiwan will have a total of 530 state-of-the-art fighters by the end of this

century. The navy is being improved with an eye mainly to defend Taiwan from mainland China, but it will also have enough defense capabilities to cover nearby sea lanes.

Philippines

The Philippines, consisting of some 7,000 islands, is plagued by poverty and political problems. Therefore, it cannot spend much on defense; its small defense budget is mostly earmarked for measures against antigovernment guerrillas. In 1995, Mischief Reef off Palawan Island was seized by China, but the Philippines could do nothing. Such an incident would not have occurred if the United States had kept its troops in the country.

Its navy has an old frigate and 47 patrol/coastal battle boats; marine patrol is done by two Fokker F-27M's. The mainstay of the air force is seven F-5 fighters, but the air force is a nominal presence and cannot conduct operations over water. However, the country has recently reached accord with the United States and others on financial assistance and credit guarantee for weapons acquisitions, and is trying to purchase a Cormoran-class high-speed boat equipped with Exocet ship-to-ship missiles.

Due to economic and security reasons, the Philippines emphasizes its position as a member of ASEAN. But apart from economic issues, ASEAN is unlikely to give military support to the Philippines in case China further pushes ahead its hardline policy in this area.

Brunei

Even since its independence from Britain in 1985, Brunei has firm ties with that country, but its diplomatic and defense policies are completely of its own. Brunei has defense cooperation agreements with Britain and Singapore, and these two countries station an infantry battalion each in Brunei. The country also carries out joint drills with the United States and Australia. The naval and air forces are part of the army.

Its defense puts emphasis on antiguerrilla warfare, coastal defense, and air defense. The country's forces are small but have a well-balanced troop structure. The navy has three Waspanda-class high-speed boats equipped with Exocet ship-to-ship missiles and three patrol boats (less than 100 tons), while the air force has two operational aircraft and six armed helicopters. Brunei's sovereignty will not be threatened unless its economy is jeopardized.

Malaysia

The national defense force stresses air defense, marine patrol, and capability to deal with low-severity conflicts.

It has a very well-balanced troop structure. As four Beachcraft B-200T's were added to its fleet of three C-130 HMP's, the country's marine patrol capability is enough to keep a watch on the Malacca Straits and EEZ's on its east and west coasts. It is not enough for patrol of the South China Sea in terms of both the number of aircraft and range, but the country still can patrol the area if it pours its efforts into the waters alone.

Two P-3C's of the Australian Air Force are permanently stationed at Malaysia's Butterworth Base for surveillance of the surrounding waters and regular joint drills with the Malaysian and Singaporean air forces. Of the Malaysian Navy's four frigates, two are missile frigates (Kasturi class). It will take delivery of a British-built Lekiu-class frigate by the end of this year to replace the other two old frigates. For marine assault and patrol purposes, the navy has 37 ships, including eight Exocet-equipped missile vessels and two coastal patrol boats. It also has five mine warfare vessels and four amphibious boats.

Malaysia has a coastal line extending 4,200 kilometers and an important sea lane and natural resources exist in two different waters in the east and west. When these factors are taken into consideration, the country's forces are clearly too small and Malaysia will build them up in the coming 10 to 15 years. Due to defense budget constraints, various buildup plans will have to vie for priority. It will be considerably long before a submarine unit (probably of two submarines) is created and becomes fully operational.

The air force has decided to buy 18 MiG 29's from Russia and F/A-18 fighters from the United States in 1996. The F/A-18 can carry AIM-9S air-to-air missiles and a Harpoon antiship missile. Both fighters have a range of 800-1,000 kilometers, enough for operations in the South China Sea the country claims. But the country has to maintain advance bases for them.

Thus Malaysia has a major national defense force and improving its capabilities. But there seems to be a gap between priority items and targets that can actually be achieved.

Indonesia

Indonesia consists of some 13,000 islands scattered over an area 5,120 kilometers east to west and 2,000 kilometers north to south. A large navy is necessary for patrol of the vast waters, transportation of personnel and supplies, and protection of marine resources. After the end of the Cold War, it purchased 39 East German vessels, causing concern among neighboring nations. The concern was raised because Indonesia has seldom disclosed military information. The anxiety was mitigated

only after it was known that these vessels were small, used ships. Since then, Indonesia has been striving to increase transparency; the neighboring countries' wariness has apparently been dispelled.

Under a long-term plan, Indonesia is improving its capability to monitor its waters, adding 20 frigates, and is striving to raise monitoring efficiency in the surrounding waters in cooperation with countries in the area.

The country's marine patrol flying corps, consisting of three Boeing 737-200's and two KC-130B airborne refueling planes, has a 22,50-meter runway on the Natuna Islands in the southwestern South China Sea. The navy has two German-made Type 209 submarines, 13 frigates, 44 patrol/coastal battle ships, six mine warfare boats and 14 amphibious boats. But the country has only a few ports with enough depth and less than 10 ports can accommodate patrol boats (corvettes). The air force has no airborne refueling plane and the duties of the F-5 interceptor fighter unit are limited to air defense over its capital Jakarta, and its operational capabilities in other areas are questionable.

Although Indonesia has 11 F-16 fighters, but their operations in the South China Sea are limited as they cannot be operated at places other than major bases. The air base on the Natuna Islands is located at an ideal place for the coverage of the southern entrance of the Malacca Straits. But the distance from the base to the Spratly Islands is 800 kilometers.

If Indonesia is to take joint military action in the South China Sea with other ASEAN members, its capabilities are limited. Although the nominal number of support ships and transports is large, they can haul only several lightly armed battalions at a time. Moreover, they cannot provide full support on a long-term basis.

Singapore

Singapore is a city state with a population of 2.95 million. It heavily depends on trade, which mostly relies on sea transportation.

The country has accepted regional logistic support headquarters of the U.S. Navy after its withdrawal from the Philippines and carries out joint drills with the FPDA members, Brunei, Indonesia, Taiwan, and the United States. The navy has 26 patrol/coastal battle ships, including six Victory-class missile ships equipped with Harpoon antiship missiles, two mine sweepers and six amphibious boats. There is information that the country would purchase four to six Type 206 submarines from Germany.

The air force plans to introduce the F-16C/D in addition to existing 38 F-5 fighters and 18 F-16A/B fighters (11 of which are stationed in the United States). Four Fokker 50 Enforcers are in charge of marine patrol and airborne early warning is carried out by as many E-2C Hawkeyes.

The national defense forces have very high quality, high morale and good equipment, and the level of training is also high.

Thailand

The navy has 10 frigates (including six equipped with missiles), five corvettes (including two equipped with antiship missiles), six missile vessels, 51 patrol boats, nine mine warfare boats and 11 support ships. It also leases four Knox-class frigates from the United States.

The Chakri Naruebet, a 11,485-ton light aircraft carrier, was launched in Spain on January 20 this year. It can carry 12 to 14 Harrier vertical/short takeoff and landing aircraft and helicopters, and has a ski-jump flight deck. It will be delivered to the Thai Navy in March 1997. The carrier is expected to become fully functional in the next century, but it will be the only flattop in the region for the foreseeable future. A plan to introduce a second carrier was put off due to a plan to introduce a submarine.

The navy has 21 planes, including three P-3T Orions, five S-2F Trackers and as many F-27 MPA's for marine patrol and antisubmarine operations, enough for patrol of the EEZ and outer waters. In addition, it is introducing three E-2C airborne early warning planes and a P-3C patrol plane.

Vietnam

Most of the equipment of the air force is antiquated. It has 125 remodeled MiG-21's and 65 Sukhoi Su-22 ground strike planes, but they cannot deal with China's air supremacy. It has recently bought the Su-27 fighter from Russia, but the number is unknown. As marine operation aircraft, Vietnam has four Soviet-made Be-12 antisubmarine flying boats and eight Ka-25 antisubmarine helicopters.

The navy is even more antiquated than the air force, and none of its seven frigates is usable for operations. Of its 57 patrol and coastal battle ships, vessels that can operate in the South China Sea, a different environment compared with coastal waters, are eight Osa-class missile vessels and 19 Soviet-made torpedo boats. But none of them can survive battles with Chinese ships.

Vietnam is in dire straits. A cut in troops and replacing of weapons are important problems for the country. If

these are implemented, Vietnam's social and economic instability could worsen as a result.

China

As for submarine forces, China has six nuclear submarines—one Xia strategic missile submarine and five Han attack submarines—and 45 conventional submarines including one Kilo submarine purchased from Russia, for a total of 51. It has 50 major surface battle ships, 870-odd patrol/coastal battle ships, more than 121 mine warfare ships, 54 amphibious ships, 164-odd support ships, 855 operational aircraft on ground bases, 68 armed helicopters and one brigade of naval infantry (about 5,000). These numbers overwhelm those of surrounding countries. Qualitatively speaking, however, many are old and China has lower operational capabilities on oceans compared with other ocean-going navies. However, countries maintain concern about China's long-term intention of advancing into the surrounding waters. The rapidly expanding Chinese defense budget, efforts to build up an ocean-going navy, continuance of nuclear experiments, exports of weapons as an easy means of foreign currency acquisition, and the massive military exercises and launch of missiles into the waters near Taiwan before the Taiwanese presidential election in March this year clearly demonstrate that China's foreign policy is not moderate at all and could become a factor of instability of the region.

In addition to remodeling of a Y-8 transport into an airborne refueling aircraft and the purchase of the Su-27 fighter with a long range, China's acquisition of rights to call at ports in Myanmar [Burma] deepened anxiety of the neighboring countries. China overwhelms other countries in the region in military power. Particularly serious is its ability to land the crack brigade of naval infantry on the Spratly Islands and to lay mines that, even in small numbers, could severely hurt marine operations or transportation. As for aircraft carriers that form the backbone of an ocean-going navy, China is implementing a plan to build two 30,000- to 48,000-ton flattops during 2005-20. The country is apparently making preparations in wide areas, such as training of crewmen, research on operation of carrier task forces, and expansion and improvement of home ports. Currently the number of state-of-the-art ships, such as Luhu and Luda III destroyers, Jiangwei frigates and Dayun transport ships—is small. If the number increases, the Chinese Navy will become fully capable of challenging its rival navies in the Pacific and the Indian Ocean in the future.

Sea Power Balance in the South China Sea

If countries concerned start discussing probes of submarine resources in the South China Sea, their negotiations are expected to be rough-going. But no conflict is likely to occur at least among the members of ASEAN.

It is fully conceivable, however, that China would acquire the Spratly Islands one by one, like the Mischief Reef, making each a fait accompli. In that case, China would gingerly select islands with no guard posts in its seizure attempt in order to avoid direct confrontation with countries which claim them. A country may be able to counter the Chinese occupation with military force, but it must understand that such an action would invite a massive retaliation from China.

Surrounding countries, centering on the ASEAN nations, would protest against such Chinese actions but not start joint resistance using force. As a result of defense modernization efforts, each of the countries has considerable power for its own defense. Thus they could be a powerful military power if they create North Atlantic Treaty Organization-type allied forces, but there is no such move at present. As far as this situation continues, it will not be so difficult for China to obtain the entire Spratly Islands in due course. Countries with interests in the region and able to stand up to Chinese military activities are Australia, Britain, and the United States. None, however, wishes to be involved in a conflict.

Based on these thoughts, China has so far been sticking to bilateral negotiations with each of the parties concerned in territorial talks over the South China Sea islands, flatly refusing to have talks with a group of countries. (At a meeting in Brunei in August last year, China at last agreed to negotiate with ASEAN on the territorial dispute over the Spratly Islands.)

Importance of U.S. Navy's Presence

It is fresh in our memory that at the time of increased tension in the Taiwan Straits in March this year, China could do nothing in the presence of the Nimitz CVN-68 and Independence CV-62 carrier task forces the U.S. Navy deployed there. As another example of naval presence, recollect the following incident. From the spring of 1992 to the following spring, ships sailing through the South China Sea near Okinawa were shot or tracked and stopped and robbed by unidentified vessels believed to be Chinese ships. After continued attacks on Russian ships, the Russian government ordered its navy to take resolute steps against illegal acts in the spring of 1993 and dispatched a Kara-class missile cruiser to the waters. As a result, piracy, which did not stop despite Japan's repeated protest to the Chinese government, ceased suddenly. This is a good example

that demonstrates how effective naval presence is in checking conflicts or illegal activities.

The U.S. naval presence has been the backbone of conflict prevention and stability in Asia-Pacific since the Cold War era. Similar effects can be undoubtedly expected in the future if the United States maintains its firm presence.

Only the U.S. Navy has the ability to secure sea control over the entire Pacific including the South China Sea, and most of the nations in the region place confidence in the United States. There are various threats in the Asia-Pacific region, but their actualization can effectively be checked as far as the United States remains involved in the region. Ensuring peace and stability in the region also matches the interests of the United States.

The U.S. interests in Asia-Pacific are, as before, 1) support for a global deterrent, 2) maintenance of political and economic access, 3) maintenance of a balance of power so that no hegemony exists in the region, and 4) securing of the freedom of navigation.

U.S. troops front-deployed in this region have continued to fall since the end of the Cold War.

People feared the United States may leave Asia. But "U.S. Security Policy in the East Asia and Pacific Region" (commonly called the Nye Initiative) announced by the Pentagon in March this year assured the continued presence of 100,000 troops. The next issue is how the U.S. naval presence should be secured and used.

The United States has so far maintained a neutral stance toward territorial disputes in the South China Sea and prudently avoided getting involved, saying they are problems of the parties to the conflicts. But the country should deal with them on the recognition that they are important issues affecting the freedom of navigation.

China would not concede that it belongs to a league of the same level as ASEAN. But in dealing with issues in the South China Sea, the United States should talk with China through ASEAN rather than directly with China.

Japan: Hashimoto Urges LDP Prudence in Receiving DPRK Group

OW0808144096 Tokyo KYODO in English
1344 GMT 8 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Prime minister Ryutaro Hashimoto urged his Liberal Democratic Party (LDP) on Thursday to be prudent on accepting a visit by a delegation from North Korea's ruling party.

The premier made the pitch in a brief meeting with Taku Yamasaki, chairman of the LDP Policy Affairs Research Council, Yamasaki told reporters.

Yamasaki said LDP leaders may have to refrain from meeting members of the delegation from the Workers Party of Korea unless Pyongyang moves to accept the four-way peace talks prior to the delegation's arrival.

The Social Democratic Party, a ruling coalition partner, has been active in inviting the North Korean party delegation. A similar delegation, scheduled to arrive in Japan in May, postponed the visit.

The overture for peace talks, floated in April by U.S. President Bill Clinton and South Korean President Kim Yong-sam, calls on the two Koreas to discuss with China and the United States a permanent peace on the Korean peninsula.

Pyongyang has yet to make a formal reply to the proposal, saying merely it is considering whether to accept the offer.

Japan: Group Drops Bid To Legitimize Senkaku Lighthouse

OW0808144696 Tokyo KYODO in English
1425 GMT 8 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — A Tokyo-based right-wing group withdrew a request with the Maritime Safety Agency on Thursday to officially recognize a lighthouse it erected on one of the disputed isles in the East China Sea, agency officials said.

In July, the Japan Youth Federation put up a lighthouse on one of the Senkaku Islands and submitted an application for official recognition of the private structure, apparently in a bid to boost Tokyo's claim that the isles are part of Japan's "indigenous territory."

The action has incensed China and Taiwan, both of which claim the uninhabited isles. China calls the isles the Diaoyu islands, while Taiwan describes them as the Tiaoyutai islands.

The agency has confirmed that the 5-meter-tall lighthouse had been seriously damaged by a recent typhoon, a fact which probably led to the group's decision to drop its request, agency sources said.

Tokyo To Support Export-Oriented Russian Industries

OW0808144196 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 8 Aug 96 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry (MITI) announced on 7 August that

it will continue to implement the assistance program for Russia's trade and industries that was launched last fiscal year, and that it will strengthen the support program for Russia's exportation from this year. In addition, it will improve the database regarding Russian export-oriented companies and Japanese import-oriented companies and provide such information through the Internet. MITI plans to hold a seminar in Tokyo in October about the natural resource and energy situation in Russia and the Far East Region's development program, while holding an exhibit on its science and technology in Tokyo in November.

Japan: Fund To Begin Payments to Wartime 'Sex Slaves' in Philippines

OW0608143496 Tokyo KYODO in English
1401 GMT 6 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 6 KYODO — A government-initiated private fund will begin the first payments to Philippine women forced into wartime sexual slavery for Japanese troops, while victims from South Korea and Taiwan continue to oppose the project, fund officials said Tuesday.

The Asian women's fund soon plans to publicize procedures for the women to receive the money — 2 million yen each — through the Philippine news media and accept applications, they said.

The foundation, based on private donations, hopes to begin payments as early as Aug. 15, the day Japan surrendered in World War II in 1945, accompanied by a letter of apology from Prime Minister Ryutaro Hashimoto.

During an evening session of the 13-month-old foundation's board of directors, a panel reported that it would be difficult to offer the money to the surviving sex slaves from South Korea and Taiwan.

The task force sent officials to South Korea, the Philippines and Taiwan for a week up to Tuesday, but found the Korean and Taiwan victims and their support groups resolved to have the Japanese Government, not the private fund, compensate them directly. Some of the Philippine women, however, agreed to accept money from the fund.

Last month the administrators decided to pay 2 million yen each to 300 surviving sex slaves in South Korea, the Philippines and Taiwan, as well as carrying out a 700 million yen health and welfare project over the next 10 years at the government's expense.

Historians estimate that before and during World War II up to 200,000 women, mostly from the Korean peninsula under Japanese colonial rule, were forced into

sexual slavery in front-line brothels by the Japanese military.

Tokyo To Extend 50 Million Yen in Cultural Aid to Thailand

OW0708064096 Tokyo KYODO in English
1446 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Japan will extend a grant of up to 50 million yen to Thailand to supply a state university with musical instruments and audiovisual aids, the Foreign Ministry said Wednesday.

Delegates of the Thai and Japanese Governments exchanged documents on the cultural assistance in Bangkok the same day, the ministry said.

The money will be used to purchase such educational equipment for Thammasat University, one of the most prestigious universities in Thailand, it said.

Japan: MOF Approves Subsidiaries of Life, Nonlife Insurers

OW0808130796 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 6 Aug 96 Evening Edition p 1

[FBIS Translated Text] The Ministry of Finance (MOF) gave formal approval on 5 August to six life insurance companies, including Nippon Life Insurance Co. (NLI), allowing them to establish casualty insurance subsidiaries, and gave approval to 11 casualty insurers, including The Tokio Marine and Fire Insurance Co., Ltd. (TMFI), granting them permission to set up life insurance subsidiaries. The move is to let the subsidiaries of Japanese companies make a step forward towards sales of accident insurance and other insurances — the so-called third sector; a focus of the stalemated Japan-U.S. insurance talks. However, MOF is likely to postpone a decision on when Japanese firms will be allowed to sell personal injury coverage so as not to aggravate the U.S. Government.

The six life insurance companies given approval today are NLI, The Dai-ichi Mutual Life Insurance Co., The Meiji Mutual Life Insurance Co., Sumitomo Life Insurance Co., Mitsui Mutual Life Insurance Co., and The Yawda Mutual Life Insurance Co. Among the 11 casualty insurers granted approval are the TMFI, Mitsui Marine and Fire Insurance Co., Ltd., and The Sumitomo Marine and Fire Insurance Co., Ltd. As the next step, those insurance companies, which will be parent companies of their subsidiaries, intend to apply for specific product licenses in about 10 days.

The MOF said: "The establishment of subsidiaries is not a matter for U.S. concern. We gave approval in

accordance with domestic law." Thus the MOF is ready to "take proceedings as early as possible if applications are made" (according to an official of MOF Insurance Department) for product licenses.

In connection with a question as to whether approval should be given to inroads into the third sector by life insurance companies' subsidiaries, Japan-U.S. insurance talks have remained at odds with the U.S. side calling for the setting of a 3-year freeze period for their inroads into the third sector and the Japanese side calling for early inroads.

Japan: Okinawa Maps Out Deregulation Plans for Economic Promotion

OW0808130596 Tokyo ASAHI SHIMBUN
in Japanese 6 Aug 96 Morning Edition p 2

[FBIS Translated Text] On 5 August, Okinawa Prefecture worked out an outline of deregulation measures, which will be submitted to the government, to promote the "concept for construction of an international city." The prefecture aims to realize that concept along with reorganization and reduction of U.S. military bases on Okinawa. Among other things, expansion of the free trade zone system and introduction of a "no-visa system" — under which tourists from Taiwan, the ROK, and Hong Kong will not be required to obtain visas to come to Japan — are pillars of the deregulation measures. The government and the ruling parties think that cooperation from the prefecture over the issue of forced leases of land for U.S. military facilities depends on whether or not they can gain understanding from the prefecture in dealing with the economic promotion measures and finding a new site for relocating Marine Corps Air Station Futenma. With the Liberal Democratic Party's (LDP) executive committee as a central figure, the government is trying to accept the measures as far as possible. It seems that approval or disapproval of the measures will determine the future of the base issues.

The free trade zone system is a concept designed to make Okinawa a goods distribution center by simplifying customs formalities and introducing preferential tax treatment and other benefits. This is a concept worked out on the basis of the "bonding system," which exempts imported goods from tariffs. There is a free trade zone in Naha. Since it has not been used effectively, however, the prefectural government is calling for, among other things, 1) introduction of a duty-free shop system; 2) expansion of tax benefits, including easing corporate taxes for companies in the free zone; and 3) improvement of the tariff system.

People from about 50 countries, including Europe and the United States, who will stay in Japan less than 90 days, are exempted from obtaining visas. But people from Taiwan, the ROK, and Hong Kong, which are close to Okinawa, need an entrance visa, so the prefectural government is asking the central government to apply the no-visa system to these countries and regions as well. In addition, the prefectural government is also calling for an increase in flights between Okinawa and Taiwan, the ROK, China, and other countries and reduction of domestic air fares. The prefectural government also wants to use the preferential treatment measures to attract information industries to make Okinawa a "hub of information industries in Asia."

Before ministries and agencies submit their budget requests for fiscal 1997, the government and ruling parties will study the possibility of realizing the Okinawan concept. Budget requests will be made by the end of August. As regards expansion of the free-trade zone, the government and ruling parties are coordinating among themselves to include expenses for investigations in the budget requests. LDP Secretary General Koichi Kato is scheduled to visit Okinawa in the second half of this month. He wants to do the final coordination at meetings with Governor Masahide Ota and other prefectural government officials. However, some lawmakers are taking a prudent stand toward expansion of the free-trade zone and introduction of the no-visa system, which Okinawa Prefecture strongly wants. They are saying that "it will create two systems in one country" (according to a senior LDP executive). It is still uncertain how far the government and ruling parties will be able to respond to the expectations of the prefecture.

Japan: MAFF Mandates Country-of-Origin Tags for Vegetable Imports

OW0808113896 Tokyo KYODO in English
0859 GMT 8 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — The Ministry of Agriculture, Forestry and Fisheries (MAFF) will begin making it obligatory for importers and retailers of five types of imported vegetables to indicate the country of origin, ministry officials said Thursday.

The measure will apply to imports of ginger, broccoli, taro, shiitake mushroom and garlic, and may go into force as early as the middle of this month in line with the Japanese Agriculture Standards (JAS) Law, the officials said.

Currently, only lumber and processed foods must have labels indicating the country of origin under the law.

The measure will be taken as a result of increased imports of the vegetables, and will likely be applied to other vegetables if imports increase, the ministry officials said.

Ministry and local government officials will make regular inspections to see that the labeling is carried out at retailers and importers nationwide. Names of those who violate the law will be made public.

Consumer groups have been asking for standards to be made in ensuring the quality of imported vegetables.

While guidelines for showing the country of produce were made in 1991, not all retailers have complied, and the ministry decided to take a stronger step by adopting the JAS Law, the ministry officials said.

Japan: MITI To Launch Probe Into Chinese Textile Imports

OW0808041996 Tokyo KYODO in English
0259 GMT 9 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 9 KYODO — The Ministry of International Trade and Industry (MITI) said Friday it will begin investigations the same day into textile imports from China in order to decide whether to regulate the imports to protect the domestic industry.

MITI said the probe is part of procedures meant to regulate poplin and broadcloth imports from China under a safeguard clause of the World Trade Organization.

MITI chief Shumpei Tsukahara previously stated the need for China to regulate textile exports to Japan.

MITI said poplin and broadcloth imports from China from July 1995 to June this year surged 28.6 percent from a year before.

The domestic industry is presumed to have been dealt a severe blow from such imports, MITI said.

The domestic industry asked the government in February last year to invoke the safeguard clause, claiming it was hurt by the flood of imports from China. But no safeguard steps were taken.

The industry renewed the request July 9 this year.

MITI must decide whether to invoke the WTO clause within a year.

Japan: Fujitsu Adjusts Flash Memory Sales, Production Plans

OW0808081896 Tokyo KYODO in English
0754 GMT 8 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Fujitsu Ltd. has revised downward its fiscal 1998 sales plan for flash memory chips to 95 billion yen from

110 billion yen, a spokeswoman for the Tokyo-based company said Thursday.

In line with the revision, Fujitsu will put off the start of a flash memory plant now under construction in Aizuwakamatsu, Fukushima Prefecture, northeastern Japan, in a tie-up with Advanced Micro Devices Inc. of the United States, for more than six months from the originally scheduled May 1997, the spokeswoman said.

Fujitsu will also postpone spending of 17.5 billion yen for the launch of the new plant.

Flash memory chips can store data indefinitely without an electric charge and erase the information quickly, or "in a flash."

With demand for the chips for use in portable telephones and other electronic devices growing, manufacturers both at home and abroad, including Intel Corp. of the U.S. and Sharp Corp., are expanding production facilities.

Fujitsu has revised its sales plan to avoid a glut of the chips that is expected in around 1998 if makers carry out their planned output increases, the spokeswoman said.

Under the revised plan, Fujitsu will raise monthly production to the equivalent of 5.5 million 4-megabit chips by the end of fiscal 1996 from the current three million, and will maintain the new level of production for some time, the spokeswoman said.

Japan: Hitachi, Hewlett-Packard in Network Software Tie-Up

OW0808084796 Tokyo KYODO in English
0819 GMT 8 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Hitachi Ltd. and Hewlett-Packard Co. of the U.S. said Thursday they will collaborate in development of a network management software compatible to the Windows NT operating system.

The companies said they hope to begin shipments of their product, Hewlett-Packard Openview Network Node Manager for Windows NT, later this year.

The companies said there is strong demand for their product given the widespread use of Windows NT systems in personal computer (PC) servers for corporate local area networks (LANs).

The new software will be developed on a basis of Hewlett-Packard's equivalent product for UNIX system workstations and offer the same management capabilities, they said.

Hitachi has marketed the Windows NT version of a node manager series in the Japanese market since December

1995 and will sell the new product in the next release, Hitachi said.

The two computer product manufacturers also agreed to cooperate in designing an NT-based Hewlett-Packard Openview application software series, Omniback II, to run on the new middle software, they said.

Japan: Toyota Denies Report on Tie-up With Texas Instruments

OW0708145796 Tokyo KYODO in English
1046 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Toyota Motor Corp. denied Wednesday a newspaper report that the Toyota Group and Texas Instruments Inc. of the United States have basically agreed to jointly manufacture semiconductor chips in Japan.

"There are no negotiations going on between Toyota Motor and Texas Instruments," a Toyota spokesman said, commenting on the NIHON KEIZAI SHIMBUN reports.

The business daily reported in a front-page story of its evening edition Wednesday that the Toyota Group and Texas Instruments will set up a joint venture to produce mainly 256-megabit dynamic random access memory (DRAM) chips in Aichi Prefecture, central Japan, from 1999.

A spokeswoman at Texas Instruments Japan Ltd. declined to comment on the article, while the Toyota-affiliated Toyoda Automatic Loom Works Ltd., which was reported to have a central part in setting up the joint venture, also declined to comment.

According to the paper, the joint venture would be set up by the end of this year and a plant built with investment of 150 billion yen.

It said dram chips produced at the plant would be partly used for electronic components for automobiles, with Texas Instruments purchasing all the products and then selling a portion to Nippondenso Co. and other Toyota Group auto parts makers, while supplying the rest to the world market.

Japan: Welfare Minister Naoto Kan Deemed Public Hero

962B0090A Tokyo SEIKAI in Japanese May 96
pp 24-31

[Article by Hidenori Itagaki, political commentator: "Naoto Kan: A 'Citizens' Minister' Who Has Shaken the Welfare Bureaucracy"]

[FBIS Translated Excerpt] There is a politician who has moved the obstinate "Kasumigaesaki." It is Welfare Min-

ister Naoto Kan who has breathed new life into the HIV-tainted AIDS scandal. The people have applauded the first "hero" born for sometime into the political world. There has been a "challenge" there of bureaucratic politics by the citizens' politician.

I. Brilliant Achievement by Citizens' Politician

Welfare Minister Naoto Kan demonstrated strong leadership as a politician in the drama of the HIV (AIDS virus)-contaminated blood law suit compromise. He brushed aside strong resistance by the welfare bureaucracy and has breathed new life into the evil bureaucratism that haunts the bureaucratic world of Japan. Many people have applauded the brilliant achievement of this citizens' politician who did not let the welfare bureaucracy make so much as a peep.

However, voices of resentment against Welfare Minister Naoto Kan can be heard not only from the political world, but also from bureaucratic and industrial circles. If there is a dissolution of the lower house and general election which is predicted to come soon, Welfare Minister Naoto Kan might be replaced and welfare may revert to what it was before.

For this reason, the people have a need for the successive appearance of real politicians like Welfare Minister Naoto Kan.

Welfare Minister Naoto Kan, the citizens' politician, resolved at once the HIV (AIDS virus)-contaminated blood law suit that had gotten complicated. It was effective for the minister himself to acknowledge the fault of drug administration, apologize from the bottom of his heart to the patients and their families who were the plaintiffs, and produced results by explaining the truth.

As a result, Baxter (Chiyoda-ku, Tokyo), Bayer Yakuin (Osaka), Green Cross (Osaka), Nippon Zoki Pharmaceutical (Osaka), and the Chemo Sero Therapeutic Research Institute (Kumamoto city), the five companies which are the defendant pharmaceutical companies, and the state complied with the compromise recommendation of the court and apologized to the plaintiffs. This also should be highly praised as an achievement of Welfare Minister Naoto Kan.

Naoto Kan was born in Ube city, Yamaguchi Prefecture, on 10 October 1946. He graduated from the Applied Physics Department of the Tokyo Institute of Technology in 1970 and opened a patent attorney office. In addition, he took up housing problems and food contamination problems.

He served as the election manager for Fusae Ichikawa in the 1974 House of Councilors election. Along with

Saburo Eda, he formed the Socialist Citizens' League in 1977. Later, he merged with Hideo Den and others and founded Shaminren. He ran in the 1980 general election, won his first election, and served as chairman of the Shaminren Policy Committee. He moved to Sakigake in 1994.

In 1980, he sold individual stock called "Naoto Kan stock" backed by citizen movements for empty can recycling and banishment of detergents, collected action capital, developed a "grass roots" election campaign, and won.

He is particularly popular with women. He has a wealth of knowledge about aspects such as decentralization of power, land, housing problems, and monetary and fiscal problems and also is author of *New Urban Land Theory* and *Land Policy*.

He is qualified as a patent attorney, which is a national qualification, and also has joked that it is "... because with qualification, instead of unemployment insurance, I can eat even if I lose."

In 1992, he became entangled in the PKO [peacekeeping organization] bill, exceeded the speech time in the House of Representatives plenary session, and scuffled with the parliamentary guards who tried to drag him down. This was the time when he took part in a heroic episode in which he received shrill voices of encouragement to "Hold on!" from the visitor's gallery.

Naoto Kan is a workaholic and rather short-tempered. Nevertheless, according to the talk of people who surround Naoto Kan, "Recently, he has become amicable."

Although Satsuki Eda, the Shaminren representative, had launched a new party "Sirius," he deserted it because no matter how much time passed, they did not try to act, and he joined the Sakigake. This virtually started the dismantling of the Shaminren. With the sudden resignation of Prime Minister Tomiichi Murayama on 5 January, the three parties, the Liberal Democratic Party (LDP), Socialist Democratic Party of Japan (SDPJ), and Sakigake, swiftly entered into creation of a new three-party government agreement.

As the person responsible for policy in Sakigake, he participated in the work deep into the night for several days in succession. In this process, Naoto Kan took pains to incorporate the tenets of Sakigake.

Naoto Kan cited three major issues as the tenets of Sakigake. The first item was financial administrative reform centering on the Ministry of Finance (MOF). Specifically, it was to conduct an audit and supervision of financial institutions related to "the deposit insurance mechanism" which is to be the headquarters for debt

recovery of home loan companies and bankrupt credit unions.

The second item was to restructure, reorganize, and consolidate agricultural cooperative financial institutions which have had difficulty standing on their own as financial institutions. The third item was drug administration reform of the Ministry of Health and Welfare (MHW) related to HIV-contaminated blood case.

In addition to these three important issues, Naoto Kan made the parliamentary proposal of the NPO Law (Citizen Action Corporation Law) and made a plea concerning an attempt to pass it in the regular session of the Diet.

The "HIV infection scandal" is stated as follows in "III. Important New Policy" of the "Three-Party Policy Agreement for the New Government" that was made on 8 January 1996.

Based on the common perception that victim redress is an important issue, we will promote an early compromise regarding the HIV-contaminated blood law suit. We will conduct a necessary investigation regarding the HIV-contaminated blood scandal in drug administration, including the problem of responsibility, and take prudent measures to prevent a reoccurrence of blood contamination. Representing Sakigake, Naoto Kan firmly insisted on the "AIDS scandal" for the contents that should be incorporated in the new three-party agreement.

This insistence brought results and ultimately an LDP bill was adopted strongly reflecting the position of Naoto Kan who sought "reform of MHW drug administration related to AIDS scandal." Around this time, compromise talks were proceeding in the Tokyo and Osaka District Courts in the HIV-contaminated blood law suit.

Based on this three-party agreement, it was possible to work out a policy for swift redress according to the compromise.

II. Welfare Minister Appointment a Bolt From the Blue

However, a bolt from the blue occurred for Naoto Kan. That is because in the formation of the Hashimoto cabinet, he joined the cabinet as welfare minister.

As the chairman of the Sakigake Policy Research Council, Naoto Kan created the "HIV-Infected AIDS Issue Project Team" in 1995 and was the party who came to create an over 100-page interpellation prospectus.

Sakigake undertook this issue in earnest in the summer of 1995 when the visit to Sakigake headquarters by the HIV-contaminated blood litigation plaintiff group

became a big occasion. The plaintiff group keenly had the strong desire "to have the welfare minister hear the voice of the plaintiffs in the flesh by all means." It was House of Representatives Diet member Yukio Edano who worked to grant this wish and it finally was realized.

The HIV-contaminated blood litigation plaintiff group met welfare minister at the time Shoichi Ide. Appearing among them also was Ryuhei Kawada who had made public his real name.

This was before the court made its compromise recommendation. Welfare Minister Shoichi Ide attentively listened to the voices of the plaintiff group in earnest for one hour. Sakigake began to undertake this problem from that time. In October 1995, the court indicated its compromise recommendation and announced its opinion that recognized the responsibility of the state.

Although Churyo Morii, welfare minister at that time, indicated a policy of accepting the compromise, an attitude of elucidating the real facts was not felt at all by the welfare bureaucracy.

On 8 October, Sakigake conducted a hearing from the plaintiff side.

After this, on the 20th of the same month, they established the "HIV-infected AIDS Issue Project Team" within the party with Policy Research Council Chairman (at the time) Naoto Kan as chairman and House of Representatives Diet member Edano as director and affirmed that the party would take up this problem in a body.

House of Representatives Diet member Edano rapidly bathed the welfare bureaucracy in sharp questions at a meeting of the House of Representatives Welfare Committee. However, the time held by Sakigake in the two committee meetings was no more than a scant 30 minutes. It was not enough time.

Therefore, Chairman Naoto Kan proposed "an interpellation prospectus" that would require formal answers by the prime minister. On 14 November, they presented the interpellation prospectus. However, the evasive replies in the answers to these were conspicuous. The details, of course, were not satisfactory.

House of Representatives Diet member Edano additionally presented an interpellation prospectus totaling 79 questions on 15 December. It was an unusual number. House of Representatives Diet member Edano harshly cross-examined: "If the forms bearing the print mark of the Ministry of Health and Welfare which were acquired independently by NHK television and pictured

on the screen are not data by the AIDS study team, are you saying that NHK fabricated the data?"

The reply deadline for this interpellation prospectus was the end of February. Welfare Minister Naoto Kan who was the chairman was born, and he took the position of responding to this interpellation prospectus. It became a strange turn of fate. For the Ministry of Health and Welfare, it undoubtedly felt like they had been overtaken by the enemy general regarding this. He came to touch on the issue of victim compensation with expansion of the AIDS affliction caused by the cozy connection of former MHW officials and pharmaceutical companies, the coverup activities by officials, and avoidance of responsibility. For this reason, he received high praise from AIDS patients and their families and shouldered great expectations.

After his election to the House of Representatives, Naoto Kan raised his first question in the House of Representatives Social and Labor Affairs Committee. The other party at that time had been Welfare Minister Naoshi Sonoda, the father of Sakigake's Hiroyuki Sonoda.

The content of the question had been the kidney transplant issue. Ever since then, he has undertaken many issues related to the Ministry of Health and Welfare such as medical care, pensions, and recycling. Now, he is especially putting effort into the HIV-infected AIDS issue.

By becoming welfare minister, he now has become the concerned party dealing with this problem. He stands in the position where the tables are turned. He must join hands with welfare bureaucracy that he has cross-examined up to now. In addition, there had been a fear that he would clash with Prime Minister Hashimoto who is don of the welfare zoku. It was anticipated that a scene would appear where he inevitably must touch upon the relationship of Prime Minister Hashimoto with the pharmaceutical companies when he probed the responsibility of the pharmaceutical companies. For this reason, it was feared that he would be on the horns of a dilemma between the HIV-infected victims and the government. Naoto Kan himself felt that "the appointment to welfare minister was a ticklish matter." However, there was a person who secretly desired the welfare minister post in the formation of the cabinet. That was previous Finance Minister Masayoshi Takemura who is the head of the Sakigake party.

The cabinet posts were divided up by the LDP, SDPJ, and Sakigake according to the respective number of Diet members they possess. The LDP, with the largest strength, had priority in acquiring the posts of minister and director general of ministries and agencies where

many vested interests are entangled. Sakigake, with the smallest strength, could only get the leftovers, so to speak. So, in the process of important cabinet posts being taken, previous Finance Minister Takemura kept watch over which party would take "welfare minister."

However, "welfare minister" was among the remaining posts which neither the LDP nor SDPJ took. Therefore, previous Finance Minister Takemura put in his bid saying, "I will take welfare minister." Previous Finance Minister Takemura took this post fully aware that Sakigake was earnestly taking up the AIDS issue. In some political circles, some took the astute view that "His aim is to grasp the weak point of Prime Minister Hashimoto by eating into the vested interest territory of Prime Minister Hashimoto who is the don of the welfare zoku and shake it up, causing the Hashimoto regime to end with a short life."

It has been explained that his intention is "to block the moves of a conservative-conservative coalition that is said to be secretly progressing between the LDP and Shinshinto, and if things go well, he desires a Takemura regime backed by a third force."

Aside from probing such hidden aims, having been appointed to the ministerial post who is responsible regarding drug administration that had continued to be criticized up to then, Naoto Kan said that he was prepared "to attempt as much reform as possible." Therefore, Naoto Kan stated in a press conference after his appointment to minister that "The minister is the head of administration and the person responsible, but at the same time he has been elected by the people and represents the people and has the role of directing and supervising administration and I want to make that standpoint important."

In other words, Naoto Kan clearly indicated a "minister's view" that he had embraced for a long time.

III. "Declaration of War" on Welfare Bureaucracy

As chairman of the Sakigake Policy Research Council, Naoto Kan has shown a zest for investigation of the real facts in the HIV (AIDS virus)-contaminated litigation from the standpoint of having organized the "HIV-Inflicted AIDS Issue Project."

So far, he has pointed out the cozy relationship of former MHW officials with pharmaceutical companies with which many have golden a parachute, and he has thrust a sharp sword into the MHW by creating the interpellation prospectus regarding the delay in recovering unheated blood products.

Naoto Kan has shown his resolve to put all his effort in the direction indicated in the three-party agreement. This

is virtually making a "declaration of war" on the welfare bureaucracy. He has believed that an investigation of actual relationships that will be the premise concerning the issue of responsibility is indispensable.

Soon after his appointment, Naoto Kan established an investigation project with the administrative vice minister as chairman on 13 January in order to conduct an in-house investigation by the MHW itself and with one month as the goal, was resolved to have an "in-house investigation" giving priority to several items that previously had been pointed out from various quarters. It was the idea of Welfare Minister Naoto Kan himself to meet directly with several persons involved and hear their stories. In the 136th session of the Diet which was opened on 22 January 1996, Prime Minister Hashimoto made his administrative policy speech. He stressed the following in it: "In addition, my idea is that besides proceeding with a reform of the medical care insurance system so that we can provide good quality and effective medical care befitting an aging society, on the AIDS problem, we will conduct the necessary investigation, including the problem of responsibility, along with putting all effort into an early solution by compromise, and exert the maximum effort to prevent a reoccurrence of harm to health from pharmaceutical products."

Prime Minister Hashimoto himself affirmed the conducting of the necessary investigation, including the problem of responsibility.

However, the phrase "we will conduct the necessary investigation, including the problem of responsibility" is not in the draft copy of this speech. The party chiefs and persons in charge of policy of the three parties had participated and upon study of the draft copy, Naoto Kan succeeded in having this phrase inserted.

After the prime minister spoke facing the emperor in the plenary session of the Diet, the contents become a government pledge.

After this speech by Prime Minister Hashimoto, the MHW established the "Investigation Project Team Concerning HIV-Infected Blood Products" within the ministry on 23 January. The "necessary investigation, including the problem of responsibility" had begun based on an exhaustive plan of action.

Since the establishment of the project team was the day after Prime Minister Hashimoto made his administrative policy speech, it can be well inferred that Welfare Ministry Naoto Kan, thrusting aside strong opposition and resistance that smoldered within the MHW, has attempted to proceed forcibly with his own intentions and plans.

It was the first time for the Welfare Ministry to create a medical mishap project team within the ministry, and was a rare case. For that alone, the historical significance is great. [passage omitted]

IV. Destroying Bureaucratic Political Abuse

However, it was the appearance of Ryuhei Kawada, one of the Tokyo HIV-contaminated blood law suit plaintiffs who created the opportunity for this movement to show a great upsurge. Since Kawada revealed his real name and face in 1995, citizens and students in general who had not had much concern up to then came to participate in the movement.

Up until then, there had been many people participating in so-called conventional forms of citizen movements, such as the acquaintances of Kawada, the acquaintances of Kawada's mother, and the people in labor unions that his mother happened to know. After Kawada revealed his face, however, many people who had not participated in political movements up until then such as Kawada's friends and young university students came to participate. The type of university student circle where friends influence friends widened. Those people participated in sit-downs.

Kawada attracted many people. In that process, cartoonist Yoshinori Kobayashi also joined the group and wrote extensively of it in the "gomanizumu sengen" [a column in SPA magazine] depicting the young people in support groups within it.

Thus, the percentage grew of people who showed up again once they had been invited by a friend and there was a good percentage of participation in the movement. Attracted by such an atmosphere, the media rapidly took it up.

Actually, it is said that Welfare Minister Naoto Kan came to be involved deeply in the Kawada and HIV-infected victim problem through the interchange between his wife Nobuko and Kawada's mother. Kawada lives in the Tokyo No. 7 District, the former electoral district of Naoto Kan.

His wife Nobuko heard various stories about the HIV-infected victims and the law suit from Kawada's mother. Nobuko, who felt anger not only at the attitude of the Welfare Ministry, but also at the position of the politicians, put the screws to her husband, saying "What in the world are politicians today doing?"

Nobuko is one year older than her husband. She and Naoto Kan are cousins. Overcome by the emotion of his wife Nobuko, Naoto Kan resolved to stand up himself, saying "Then, shall I do it? Naoto Kan talked directly with Kawada and heard about the actual situation in

detail. "Housewife power" became the starting point that came to move politics.

It goes without saying that Kawada leapt for joy about Naoto Kan's appointment to minister.

Ryuhei Kawada and others sent words of congratulations by fax. "Dear Mr. Naoto Kan, Congratulations on your appointment to minister of welfare. I was discharged from the hospital the day before yesterday. Today is my 20th birthday. Joyous occasions continue with the Coming-of-Age ceremony. Let's keep persevering so that the AIDS scandal really can be resolved. This year is an election year and it is still a ways off, but I am happy. Let's persevere. 12 January 1996."

Welfare Minister Naoto Kan, who was pained at heart by the numbers of patients who continued their sit-down, enduring the cold in front of the Welfare Ministry, wanted a direct meeting. However, debate was split in the ruling parties about this.

At that time, it was Satoshi Arai, chairman of the Health and Welfare Subcommittee who was proceeding cautiously in coordination among the ruling parties.

House of Representatives Diet Member Edano became the messenger of Welfare Minister Naoto Kan and walked around the sit-down site to coordinate with the plaintiff group and attorney group. Many Diet members, led by secretary general Yukio Hatoyama, and House of Representatives Diet members Koki Ishii, Noboru Usami, and Seiichi Kaneta and others were spurred on.

Among them were Diet members who paid visits to the plaintiffs' tent late at night bringing provisions.

Sakigake developed a play of cooperation with the unity of the whole party and began to overturn the adamant policy of the Welfare Ministry. Then finally, Welfare Minister Naoto Kan himself clearly acknowledged the responsibility of the government and conducted a historical interview of apology.

At that moment, the fresh air of "civil rights" was ushered into giant bureaucratic politics.

At the apology interview, a big turnabout in the government position was forced. It came to move forward toward compromise approval. Compromise negotiations approached conclusion near March.

Around that time, Sakigake decided to proceed with a thorough investigation of the actual facts and pursuit of responsibility such as questioning witnesses in the Welfare Committee on persons who were involved at the time, establishment of a third-party investigation organ, and pursuit in a place of judicature.

In addition, they also confirmed that they would aim at drastic reform of current drug administration that is symbolized by safety checks of drugs and protection and cultivation of pharmaceutical firms being carried out by the same bureau.

With such political world moves on the one hand, on 14 March 1996, four of the five pharmaceutical companies that were defendants in the HIV-contaminated blood law suit, excepting Nippon Zoki Pharmaceutical Company (Osaka), announced one after the other that they would comply with the compromise recommendation put out by the courts in Tokyo and Osaka and apologized to the plaintiffs.

President Takehiko Kawano and other officers of Green Cross Corporation who acknowledged responsibility for wrongdoing prostrated themselves at the headquarters at Imabashi 1 Chome, Chuo-ku, Osaka, and apologized to the plaintiffs. Afterward, Nippon Zoki Pharmaceutical Company also came to the compromise table. The efforts of Welfare Minister Naoto Kan can be said to have come to fruition here. Besides the HIV-contaminated blood litigation issue, Welfare Minister Naoto Kan expressed an apology in frank words at the National Hansen's Disease Patient Conference regarding the decision to abolish the "Leprosy Prevention Act" and received uniform praise from the conference.

Welfare Minister Naoto Kan is attempting to change from the ground up the ideal welfare administration which previously only has thought of being inflexible.

However, it is not true to say that Welfare Minister Naoto Kan hates individual welfare bureaucrats. Policy Secretary Kosei Matsuda explains thus about what is in Welfare Minister Naoto Kan's heart.

"He is fighting bureaucratism and does not hate or have quarrel with the bureaucrats. He is trying to carry out civil rights politics as opposed to bureaucratic politics. He is not fighting with individual bureaucrats when he makes thorough investigations; he is fighting with the atmosphere that exists in officialdom as a whole or the way of thinking and predisposition."

There is a strongly rooted tendency in central ministries and agencies where the various sections attempt to protect vested interests as if they were ministries without a nation, bureaus without a ministry, or divisions without a bureau.

The standpoint of the general public is apt to be treated lightly within such an atmosphere. Welfare Minister Naoto Kan is taking a crack at destroying the abuse that haunts officialdom and reforming it.

However, Naoto Kan will be in the post of minister until the next general election is over. The term of the current House of Representatives Diet members ends in July 1997 and if there is dissolution and a general election is carried out, the minister will be replaced without waiting for a complete term.

A citizen's politician like Naoto Kan will not necessarily be appointed again welfare minister. The fear is fully anticipated that reform of welfare administration that was just begun with so much effort will revert to what it was before.

For that alone, Welfare Minister Naoto Kan must carry out reform as quick as possible during his appointment.

North Korea

DPRK: Planned ROK-U.S. 'Ulchi Focus Lens' Exercise 'Aggravating'

SK0908025096 *Pyongyang KCNA in English*
0233 GMT 9 Aug 96

["'Ulchi Focus Lens' War Exercise Planned" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — The South Korea-U.S. Combined Forces Command on Wednesday announced that they would stage "Ulchi Focus Lens", another military exercise against the northern half of Korea, in South Korea from August 19 to 30, according to Seoul-based radio No.1.

The South Korean military gangsters and the United States have claimed that the exercise is aimed at tightening the combined defence posture to cope with "case of emergency".

The "civilian"-veiled warmaniacs and the U.S. are staging North-targeting military drills under different names one after another, further aggravating the situation.

DPRK: Analyst Denounces ROK-U.S. 'Ulchi Focus Lens'

SK0908025296 *Pyongyang KCNA in English*
0236 GMT 9 Aug 96

["War Game in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — MINJU CHOSON today brands the "Ulchi Focus Lens" manoeuvre in South Korea as part of premeditated military exercises to perfect preparations for a war against the North.

On August 7, the South Korea-U.S. "Combined Forces Command" announced that they would stage "Ulchi

Focus Lens" from August 19 to 30 allegedly to "cope with the case of emergency."

Commenting on this, the analyst of the paper says:

The South Korean warmaniacs are making an advertisement about the war game ten days before the war game starts, motivated by a sinister intention to create a war atmosphere against the North and threaten the pro-reunification, patriotic forces at home and abroad with arms.

This announcement is a deliberate move to throw a wet blanket over the ardent desire of the nation for reunification, which is rising with the approach of August 15, and block the 7th Pan- National Rally (PNR).

The puppets intend to threaten the pro-reunification democratic forces and frustrate the PNR with the war exercises against the north. However, their intention is a big miscalculation.

They must stop the reckless war exercises and confrontation moves against the North at once and step down as demanded by the people.

DPRK: Committee Denounces ROK Ban on Pannational Rally

SK0808092096 *Pyongyang KCNA in English*
0900 GMT 8 Aug 96

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — A statement of the North preparatory committee for the seventh pan- national rally [PNR] was published at a press conference held here today.

The statement came as the rally cannot be held in Seoul as planned and has to be held in different places.

The statement says:

It is a week before the day of the rally, but the South Korean authorities do not "allow" delegates of pro-reunification movement organisations in the North and overseas to take a trip to Seoul and are further intensifying the suppression of those who are preparing the rally in South Korea.

By blocking at the point of the bayonet the holding of the seventh PNR in Seoul, which has been actively promoted according to the three-way agreement of the North, South and overseas, the Kim Yong-sam fascist rulers under the "civilian" veil fully reveal once again their colors as a group that turns its back on the nation and doggedly opposes reunification.

The North preparatory committee for the seventh PNR bitterly denounces the South Korean authorities' moves to block the rally from being held in Seoul, branding

them as an open challenge to the 70 million fellow countrymen, who are earnestly longing for peace of the country and its reunification.

Now that the South Korean authorities bar the pan-national rally for reunification in Seoul as they did in the past, the rally will be held separately in Pyongyang, Seoul and overseas.

However, the aspiration and will of the entire fellow countrymen for national reunification will be represented as one at the places of the rally, which will be recorded as a reunification festival common to the nation.

No matter how desperately the South Korean fascist rulers may try to block the holding of the Seoul PNR at the point of the bayonet, they can never stop the march of the fellow countrymen toward reunification.

DPRK: CPRF Denounces ROK Attempted Kidnapping of Students

SK0908151396 *Pyongyang KCNA in English*
1507 GMT 9 Aug 96

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — The spokesman for the Committee for the Peaceful Reunification of the Fatherland [CPRF] in a statement today demanded the South Korean authorities clearly see the nation's desire and the trend of the times and immediately stop the foolish attempt at blocking the nation's common events for reunification slated for August 15.

The statement says:

The South Korean authorities dispatched agents of the "Agency for National Security Planning" (ANSP) to Germany so that they tried on Thursday to kidnap the delegates of the South Korean Federation of University Student Councils (Hanchongnyon) who were staying in Berlin on their way to Pyongyang to participate in the seventh pan- national rally and the sixth grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

The "ANSP" agents raided the joint secretariat of Pomchonghangnyon in Berlin in broad daylight to block the northern trip of the delegates of "Hanchongnyon" who were staying there. Mobilized in the operation of making the delegates "surrender" and taking pictures of them were the family of one of the delegates and journalists, whom the agents had taken to Berlin to attain demagogic purposes in case they succeed in the operation.

When the delegates did not yield but resisted, the agents kicked them and twisted their arms in an attempt to kidnap them to Seoul.

This is an unpardonable violation of the human rights of the officials of the joint secretariat and "Hanchongnyon" delegates, a truculent encroachment on the law and order of a foreign country and an overt and shameless anti-national crime against national unity and reunification.

If the South Korean rulers continue fascist repression and intrigues to block the seventh pan-national rally despite our warning, they will meet bitterer denunciation by the entire nation and have to bear full responsibility for all the consequences.

DPRK: ROK Attempt To 'Kidnap' Students in Berlin Denounced

*SK0908142196 Pyongyang KCNA in English
1412 GMT 9 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — The North headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) issued a statement today denouncing the Kim Yong-sam group for attempting to kidnap the delegates of the South Korean Federation of University Student Councils (Hanchongnyon) under the South headquarters of Pomchonghangnyon on their way to Pyongyang.

Agents of the puppet Agency for National Security Planning (ANSP) and officials of the South Korean consulate in Berlin broke into the joint secretariat of Pomchonghangnyon situated in Germany on August 8 and tried to kidnap the delegates by pulling their wrists. When strongly resisted, they forced the family of To Chong-hwa, one of the delegates, to enter the office room and ask the delegates to surrender. The family had been taken to Berlin from Seoul.

When the officials of the joint secretariat called German police, lodging a legal protest against the human rights violation, the gangsters could not but withdraw from the office room. However, they are desperately working to block the delegates' northern trip.

The statement says:

The incident is a very grave act of repression to throw a wet blanket over the nation's ardent desire for reunification rising in the North, South and abroad on the threshold of the seventh pan-national rally. This clearly shows once again that the Kim Yong-sam group are heinous separatists and fascists though they are "civilian"-veiled.

We fervently call on the international human rights bodies and organizations to mete out a due punishment to the Kim Yong-sam group for this terrorist act.

The Kim Yong-sam group's fascist outrage fully reveals their anti-national, anti-reunification nature before the eyes of the world people.

They must clearly know that with no suppression and plots, can they arrest the powerful march of the Korean youth and students towards reunification.

If they continue keeping the delegates from visiting Pyongyang, they will stand condemned more bitterly and have to bear full responsibility for the grave consequences.

No matter how desperately they may try to block the seventh pan-national rally and the sixth grand reunification festival of Pomchonghangnyon, the Korean youth and students in the North, South and overseas will successfully hold them without fail and fully demonstrate the Korean people's desire for reunification.

DPRK: Group Calls ROK Attempt 'To Kidnap' Students Terrorism

*SK0908151896 Pyongyang KCNA in English
1511 GMT 9 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — The North preparatory committee for the seventh pan-national rally issued a statement today denouncing the Kim Yong-sam group's terrorism in Berlin.

The statement says:

Gangsters of the puppet Agency for National Security Planning and the South Korean consulate in Berlin on Thursday raided the joint secretariat of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) in Berlin in an attempt to kidnap the delegates of the South Korean Federation of University Student Councils on their way to Pyongyang to participate in the seventh pan-national rally and the sixth grand reunification festival of Pomchonghangnyon.

The North preparatory committee for the seventh pan-national rally bitterly denounces the white terrorism of the Kim Yong-sam group in Berlin as a wanton violation of international law and human rights and a grave challenge to the nation's desire for peace and reunification of the country.

The Kim Yong-sam group are mistaken if they think they can block contact and travel between fellow countrymen through violence and put down the pro-reunification patriotic movement with such a terrorism as kidnapping honest-minded students.

The South Korean authorities must immediately give up the reckless moves against the seventh pan-national rally.

If they continuously try to frustrate the seventh pan-national rally and brutally suppress the pro-reunification organisations, patriots and students, they will be further forsaken by the nation and sternly judged by history.

DPRK: Thai University Delegation Visits Kim Il-song Statue

SK0808043196 *Pyongyang KCNA in English*
0336 GMT 8 Aug 96

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — The delegation of Thammasat University of Thailand led by vice chancellor Kundhol Sriseambhok visited the statue of the great leader President Kim Il-song on Mansu Hill on August 7.

They laid bunches of flowers before the statue and made bows.

DPRK: Pak Song-chol, Yang Hyong-sop Meet Brazilian Delegates

SK0808042096 *Pyongyang KCNA in English*
0405 GMT 8 Aug 96

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — Pak Song-chol, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and vice-president of the DPRK, met and had a friendly talk with a delegation of Brazilian national congressmen from different parties led by Valdir Colato, member of the National Executive Committee of the Brazilian Democratic Movement and member of the Chamber of Deputies, at the Mansudae Assembly Hall on Wednesday.

The head of the delegation said that Korea has made enormous material and economic progress as it, though a small country, takes to a steadfast independent position.

This progress made under the wise leadership of His Excellency Kim Chong-il and the Workers' Party of Korea provides the Korean people with happiness, he said.

There is no reason for the two countries to refuse to open diplomatic ties, he said, stating that they would make positive efforts to this end.

"We will more briskly conduct the campaign for support to the independent and peaceful reunification of Korea in the international arena," he added.

The delegation was also received by Yang Hyong-sop, alternate Politburo member of the WPK Central

Committee and chairman of the Supreme People's Assembly.

The head of the delegation said Brazilian national congressmen will strive for friendship between the Brazilian and Korean people and establishment of diplomatic relations between the two countries.

DPRK: NODONG SINMUN Commentator Views Relations With Japan

SK0808043296 *Pyongyang KCNA in English*
0343 GMT 8 Aug 96

["Japan Urged To Liquidate Its Past" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — Normalisation of diplomatic relations between the Democratic People's Republic of Korea and Japan is for friendly, good-neighbor relations between the two nations and it can be realised only when Japan liquidates its past.

As long as Japan refuses to atone for its past crimes in having inflicted indelible sufferings, misfortunes and damage upon the Korean people, hostile relations between the DPRK and Japan will never be removed nor will normal good-neighbourhood and friendship between them be forged, says NODONG SINMUN today in its commentator's article titled "On Fundamental Issues of DPRK-Japan Relations."

The commentator says:

With bitter feelings pent up for centuries left intact, no one can expect any dramatically improved relations between the DPRK and Japan.

The destiny of DPRK-Japan relations depends on how the historical problem of liquidating the past is solved.

It goes without saying that Japan, which has committed crimes against the Korean people, must make adequate state apology and atonement for their crimes. There is nothing worthy of argument in this.

The two nations are still in hostility because of the wrong stand and attitude of Japan, which does not implement its legal responsibility and moral obligation, as the assailant, for apologizing to and compensating the victim.

Accordingly, the best way of removing the hostile relations between the two nations is for Japan to liquidate its past.

The hostility cannot be removed without the liquidation of the past.

The Japan is free to improve its relations with the DPRK, or not. But Japan's liquidation of its past is an unavoidable issue which brooks no further delay.

Japan will never live in peace as long as it refuses to liquidate its past.

DPRK: Nongovernmental Relief Group for DPRK Formed in Japan

SK0908015896 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 8 Aug 96

[FBIS Translated Text] The general assembly of (Ahumu), a non-governmental organization of Japanese figures for sending flood relief to the DPRK, was inaugurated in Tokyo on 24 July.

Present at the meeting were some 100 figures from political, economic, academic, religious, cultural, agricultural, and women's organizations, including (Nonaka Hiromu), acting secretary general of the Liberal Democratic Party of Japan; former Japanese Prime Minister Nakayama Taro; Japanese Dietmen (Kuno Toichiro), (Tanimoto Takasi), (Siniju Smiko), (Tomoto Akiko), and (Kuni Masayukiwa); (Hosino Sinyasu), chairman of the Board of Governors of the General Research and Development Organization; and (Tsuwa Keiko), chairwoman of the Japanese Women's Council.

At the meeting, (Tanabe Makoto), member of the House of Representatives from the Social Democratic Party of Japan, made a speech on behalf of the inauguration members.

The speaker noted: At a time when many countries are participating in helping the DPRK in accordance with the United Nations' appeal in connection with flood damages in the DPRK, a non-government relief organization has also been formed in Japan with civilian-level efforts by not only suprapartisan politicians but many figures from all walks of life.

O Yong-chin, vice chairman of the Central Standing Committee of the General Association of Koreans Residing in Japan, spoke at the assembly.

At the assembly, (Utsunomia Tokuma), former nonpartisan member of the House of Councillors; (Miki Mutsuko), wife of a former Japanese prime minister; and (Tanabe Makoto) were appointed as chief secretary of (Ahumu). A total of 38 figures from all walks of life were also appointed as permanent secretaries.

DPRK: People 'Very Grateful' for Foreign Flood Aid

SK0908091996 *Pyongyang KCNA in English*
0858 GMT 9 Aug 96

["International Steps Concerning DPRK's Flood Damage" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — Foreign countries, international bodies, and non-governmental organizations have taken steps to offer assistance to the Democratic People's Republic of Korea, hit by devastating floods recently.

NHK reported on July 30 that the central part of Korea was seriously damaged by heavy rains which caused greater losses of crops than last year's flooding.

The Japanese YOMIURI SHIMBUN August 7 noted that the representative of the International Federation of Red Cross and Red Crescent Societies (IFRC) said on August 6, "The situation requires additional food supply to North Korea," and expressed the willingness to call on Red Cross societies of all countries to donate money.

On August 2, VOA quoted IFRC as saying additional assistance is necessary for North Korea, which has been suffering from floods for two years.

Mass media of other countries, too, expressed deep concern about the DPRK's flood damage.

Some steps have been taken for international assistance.

The World Food Program announced that another D26 million [dollars] worth assistance will be offered to the DPRK until the next spring.

UN representatives who visited the afflicted areas called on the international community to render D15.2 million worth food assistance to the DPRK as soon as possible.

In response to this call, the Red Cross Society and 11 other non-governmental organizations of the United States established a consortium to assist the victims.

In Japan a non-governmental organization (AFM) involving people of various social strata was launched for assistance to the DPRK.

AFM, on August 6, sent an urgent request calling on all the metropolitan and prefectural governors and mayors and leading businessmen to offer food and drugs to the DPRK.

Other nations and international bodies, too, have shown deep concern for assistance to the DPRK.

The Korean people, who feel very grateful to them for their humanitarian assistance, are striving hard to recover from the damage as early as possible.

DPRK: Administration Council Organs Help Flood Victims

SK0908014396 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 8 August 96

[FBIS Translated Text] Functionaries and employees of central organizations under the Administration Council committees and departments are wholeheartedly helping people in the flood-stricken areas. With zealous compassion to relieve the lives of flood victims in South and North Hwanghae Provinces, Kangwon Province, and the city of Kaesong, they sent some 60,000 relief items, including daily necessities, on 8 August.

Considering assistance to the flood victims as their just duty, functionaries and employees of the Academy of Sciences launched themselves as one into this work and prepared some 3,200 daily necessities. Responsible functionaries of the Materials Supply Committee and the Ministry of Chemical Industry set actual examples and vigorously mobilized inner reserves to successfully guarantee the delivery of relief goods to the flooded areas.

Functionaries and employees of many central organizations including the General Guidance Bureau of Revolutionary Sites and the General Bureau of Overseas Construction also rushed to the flooded areas with the many commodities they had prepared with the affection of real parents and families to the flood victims.

Encouraged by their empathetic support, the flood victims are once again keenly feeling pride in the superiority of our socialist fatherland, which upholds the respected and the beloved general as the father, and are strenuously struggling to restore the damage as soon as possible.

DPRK: Pyongyang Central Organs Send Aid to Flood Victims

SK0908125596 *Pyongyang Korean Central Television Network in Korean* 1100 GMT 9 Aug 96

[FBIS Translated Text] Upholding the party's intention, central organs and various units in Pyongyang on 8 August actively helped flood victims in various areas who had suffered flood damage during the rainy season.

[Begin recording] [Unidentified reporter] Today, central organs and various units in Pyongyang left the city with many relief goods for people in flood-stricken areas.

[Kim Ung-sok] I am Kim Ung-sok, deputy director of the secretariat of the Administration Council. As everyone knows, our party has paid great attention to the living conditions of people in the flood-stricken areas, and has taken benevolent measures to organize

material and spiritual aid. The recent torrential rains brought great damage to Kangwon Province, North and South Hwanghae Provinces, Kaesong, and other areas. The torrential rains submerged farmlands and caused landslides in valleys, damaging houses and public buildings. Upon hearing the news, functionaries of central organs in Pyongyang dashed to the sites. They assessed the flood damage and called it to the attention of Administration Council officials through various political work. They also organized aid programs and prepared 60,000 daily necessities of tens of kinds.

Today, the State Academy of Sciences, General Bureau of Overseas Construction, Materials Supply Committee, and 40 other central organs gathered at Kim Il-song Square and loaded the relief goods on tens of trucks and left for the flooded areas.

[Unidentified reporter] Where are you heading today?

[Kim Ung-sok] Today, we will first go to seriously damaged areas. We are dividing into four teams and will go to Kangwon Province, Kaesong, and some areas in the North and South Hwanghae Province. We will run to the flooded areas and discuss the damage relief with concerned functionaries. We will deliver the relief goods needed by the people, and encourage the people.

I believe the flood victims who receive the warm aid from central organ functionaries will feel the true superiority of our style of socialism, which forms a happy big family with the respected and beloved general [kyongaeahanun changgunnim] as the father, and that they will deeply feel how great is the love and care of our party, which takes all sorts of measures lest the lives of flood victims be inconvenienced. [end recording]

DPRK: Meeting Marks Anniversary of Literary, Art Press Group

SK0808043096 *Pyongyang KCNA in English*
0335 GMT 8 Aug 96

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — A meeting was held here Wednesday to mark the 30th anniversary of the Literary and Art Press Group.

The press group published the magazine "MUNHWA CHONSON" (Cultural Front) and other literary and art publications in the difficult period just after the liberation of the country, inspiring and arousing the writers and artists and working people to the building of a new country. In the fatherland liberation war period it conducted press activities in a militant spirit on the front and in the rear to inspire the People's Army soldiers and people to accelerate the victory in the war.

A congratulatory message of the Workers' Party of Korea Central Committee to the pressmen and editors of the group was read out at the meeting.

The message noted that the press group, in keeping with the new requirement of the party and the developing revolution, successfully published literary and art publications such as the cycles of books "immortal history" and "immortal guidance" and the book "genius of literature and art", which record the glorious revolutionary history, noble traits and immortal feats of the great leaders Comrade Kim Il-song and Comrade Kim Chong-il, and thus greatly contributed to firmly establishing the party's monolithic ideological and guidance systems in the whole party and the society.

It said with high appreciation that the entire pressmen and editors of the press group have made signal achievements in editing and publishing literary and art publications, with a high sense of responsibility for their revolutionary duty.

At the meeting, the director general of the press group made a report, which was followed by speeches.

A letter of pledge to Comrade Kim Chong-il was adopted there.

DPRK: Meeting Marks Law on Nationalization of Industries

SK0908101196 *Pyongyang KCNA in English*
0949 GMT 9 Aug 96

[FBIS Transcribed Text] Pyongyang, August 9 (KCNA) — A national meeting took place here on Friday to commemorate the 50th anniversary of the promulgation of the law on nationalization of major industries.

The great leader President Kim Il-song promulgated "Law on Nationalization of Industries, Transport, Communications, Banks and So On" on August 10, 1946, right after liberation. This was a historic event of epoch-making significance in the development of the Korean revolution and the Korean people's struggle to build an independent national economy.

Present at the meeting were Yi Chong-ok, Politburo member of the Workers' Party of Korea (WPK) Central Committee and vice-president of the DPRK, other senior party and government officials and working people from all walks of life in Pyongyang.

Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission, said in his report that thanks to the enforcement of the nationalization of major industries, the state-run economy held a guiding position in the national economy, the socialist relations of

production came into being and foundations were laid to develop the national economy in a planned way. This was a revolutionary change, the first of its kind in the east, which totally terminated the economic foundations of the imperialists and the reactionaries at home which had subjected the workers and other working people to oppression and exploitation by capital, and a historic event which dynamically encouraged the world's revolutionary people to oppose the colonial subjugation, he noted.

The reporter said:

Looking into the distant future of our revolution, Comrade Kim Il-song laid the firm foundations to build the socialist economic system at the stage of the democratic revolution and built the powerful socialist independent national economy with our own efforts, our natural resources and our techniques by giving full play to the advantages of the chuche-based socialist economic system. This is an asset of eternal value for the boundless prosperity of the country and the happiness of posterity and a great historical feat which will shine down through generations.

Under the outstanding and tested leadership of the great leader Comrade Kim Chong-il who is successfully carrying forward the president's cause of building socialist economy, our socialist economic system has been more firmly cemented, its advantages brought into full play and the country's economic might immensely strengthened.

Taking a firm grip on the revolutionary principle that the socialist economy in which the popular masses are the masters of the means of production should be managed by themselves in any case, Comrade Kim Chong-il has energetically led officials to consistently adhere to and implement the chuche-based economic management system and strengthen the party's guidance over the economic work.

The reporter stressed the need to strengthen public ownership over the means of production in order to triumphantly accomplish the revolutionary cause of chuche.

He went on to say:

The historical lesson shows that if one abandons public ownership and revives private ownership, obsessed with the "advantages" of private ownership system advertized by the imperialists and the reactionaries, it will give rise to a competition based on the jungle law and exploitation and oppression and reduce the working people to slaves of capital.

All the officials and working people should firmly defend the chuche-based socialist economic system from the enemy attack, boundlessly value the socialist ownership we gained at the cost of blood and sweat and devotedly struggle for its strengthening and development.

DPRK Political Essay Stresses All-Out Efforts for Farming

962C0084B Pyongyang *NODONG SINMUN*
in Korean 20 May 96 p 3

[NODONG SINMUN Political Essay by reporter Kim Chong-ung: "Farming Front, Advance Forward"]

[FBIS Translated Text] Today, our socialist farming communities are seething with a high degree of faith and revolutionary zeal.

The Red Flag spirit and the "Arduous March" spirit are being vigorously displayed in every one of the farms and cultivated fields, with every one of the farmers and volunteers busily running around to do farming well this year.

A tenacious spirit capable of bringing about a new turnaround in agricultural production and of crushing all sorts of blockade and obliteration maneuvers by the imperialists and reactionaries through a meticulous implementation of the great leader's (suryong) behests and the party's policy of giving priority to farming, is now sweeping through the whole country as the spirit of the times.

On 21 May, the glorious land Chongsan-ri seethed with the joy and happy event of rice-planting, the first since the beginning of the year.

The farm members and volunteers of Chongsan-ri came out in the cultivated paddies early in the morning and accelerated the rice planting in a competitive spirit. That morning marked the 25th anniversary of a visit by the great leader (yongdoja) Comrade Kim Chong-il who came there with a far-sighted plan for building socialist farming communities, and transplanted rice seedlings. Burning in their hearts was a sense of weighty responsibility they bore before the party and revolution, the times and history.

The farm members, taking incomparable pride in residing in the historic land where the respected and beloved leader (suryong) has created the great Chongsan-ri spirit, the Chongsan-ri method and cherishing in their hearts the great benefit given to them by the fatherly leader (suryong) and the respected and beloved general who have converted our once poor and backward rural communities into the world's No. 1 modern socialist rural communities, on the strength of their on-the-spot guid-

ance, which had been given many times a year, rain or shine, came out in the field.

The functionaries from the central organs and the volunteers from the city of Nampo, bringing with them hundreds of trucks filled with farming materials and tools, aroused the farming members' enthusiasm by flying the red flag high, by countless slogans calling on them to join the farming front, by beating the drums of economic agitation, and by sounding the bugle of a fresh advance.

What sort of revolutionary consciousness and resolve burned in their hearts? Asking themselves, "What does the party ask us to do now?" and "How important is it in our lives and struggles to do farming well this year?", they articulated their warm, blood-stirring feelings as follows:

Under the circumstances in which the last-ditch maneuverers of the imperialists and all sorts of reactionaries have become more extreme than ever, we should clearly bear in mind that we need to do farming well this year and that it is more important than anything else. Also, we should not forget for even a moment how triumphantly we had endured the past war and had overcome the difficulties of the postwar period and how successfully we have built socialism in the face of the imperialists' continued economic blockade.

Today, doing farming well is equal to a struggle designed to defend and glorify socialism and to a rewarding struggle for tomorrow which we are engaged in today.

Thus, they have, as one, devoted themselves to doing farming well this year in response to the party's call, examining today's grave environment and contemplating the triumphant past history and the future of socialism.

The spring that came to Chongsan-ri has ushered in a spring for the whole country. All the agricultural workers and volunteers throughout the country have joined their warm voices in the call raised in Chongsan-ri.

The food question, at once the farming question, is among the most important national affair. For our party and people who, regarding independence and self-sufficiency as the nation's life itself as well as a banner of victory, are advancing the revolution, nothing is more important than the agricultural question.

Farming front, advance forward!

This is today's vigorous call from our party. It is also our fatherland's breath of life.

The idea of giving priority to farming!

This is a revolutionary economic strategy of our party which is firmly safeguarding the chuche-oriented socialism under the high-flying red flag. It is among the most important behest of the great leader (suryong).

The great leader (yongdoja) Comrade Kim Chong-il has noted:

We should energetically strive to carry out the leader's (suryong) behests and teachings thoroughly.

Insisting from early on that farming is the foundation of a nation and putting out the famous thesis that rice is socialism, the great leader (suryong) had always put farming ahead of everything in the national affairs, even changing the order of the words clothing, food, and shelter into the words food, clothing, and shelter.

Before anything else, we should do well in farming. No matter how enthusiastic the imperialists may become in their anti-Republic and antisocialist maneuvers, they can never do us any harm as long as every one of our people stands firm on one's ground, eating rice with meat soup, wearing silk clothes, and living in tile-roofed houses by doing farming well. So, I am determined to do farming well every year.

This is a behest contained in his programmatic teachings on the farming question given to a consultative meeting of the agricultural sector's functionaries which the great leader (suryong) had called in upon returning from his last overseas trip a few years back.

The fatherly leader's (suryong) lifetime was spent for the sake of the people. It was a lifetime during which he put forth all his energy and spared no pains in his effort to enable the people to completely solve on their own the question of food question, clothing, and shelter, as well as a lifetime that shines with great achievements attained in laying a firm material and technological foundation to enable the country to harvest bumper crops year after year in the generations to come.

The first democratic reform that the great leader (suryong) carried out for our liberated people was a land reform and one of the sectors to which he had kept giving on-the-spot guidance until his last days was our cooperative farms.

Engraved in every rural community, either on the plains or in the remote mountainous areas of the fatherland, are the sacred footprints of the great leader (suryong) made during his on-the-spot guidance. They are also warmly permeated with his fatherly love for the people and his lifetime devotion to agricultural development and to improving the people's standard of living.

How can we forget the days when the fatherly leader (suryong) led the land reform and cooperatization of

the rural communities to a victory, made the farmers' century-long desire for having water available to them come true by building large irrigation systems like the South Pyongan Irrigation System, and when he opened a boulevard for the mechanization of the rural communities by enabling our people to build tractors for the first time with their own hands?

How can we forget the lofty ideas and the uninterrupted effort which the respected and beloved leader (suryong) poured on us during those days when he, becoming the commander of the agricultural front, led the people in harvesting bumper crops year after year with his belief that farming is the foundation of a nation?

During the days when he created the great, famous Chongsan-ri spirit, the Chongsan-ri method on his visits to Chongsan-ri, the respected and beloved leader (suryong) was not well.

So, functionaries earnestly begged him to take rest and relax for even a single day. Rather than listening to them, the great leader (suryong) asked them to keep his being unwell absolutely secret lest it cause the people there to worry about him, saying that no matter how much rest he might take he would still feel uncomfortable unless he helped the people in Chongsan-ri, who were at a loss about what to do after just starting their new lives, solve the problems facing them.

We can never forget the stories of the fatherly leader choosing a site for a reservoir on a snowy night, illuminating his way with a torchlight he was holding himself, saying that he would not mind walking through the snow as long as his comrades were able to eat rice with meat soup; the story of his teaching them in great details how to do farming by growing some crops for himself in his own kitchen garden; and the story of his posing for photos with the chairman of the management committee, scientists, and heads of a youth subworkteam wearing their hair bobbed, whom he met in the fields on a hot summer day, protecting himself only with a piece of a farmer's straw hat.

Even today the sound of a steam whistle that we had heard the day he was on a leg of a continued on-the-spot guidance trip — it was a time when the cold front caused such uproars among the people — seems to be ringing in our ears. He had just a stick of immature corn for his meal in a running car. The look of the fatherly leader (suryong) who walked on a long outstretched dyke leading to the tideland on a cold, rainy day under the umbrella he was holding above him is unforgettably vivid in our eyes.

The great leader (yongdoja) Comrade Kim Chong-il is now summoning all of the people to the farming front,

urging them to glorify the leader's (suryong) immortal achievements attained in the construction of the socialist rural communities for generations to come, calling on the agricultural working people not to forget the lofty ideas that the fatherly leader entertained while he was alive and uphold them with loyalty.

Always paying attention to the country's agricultural development as much as the fatherly leader (suryong) did, the great leader (yongdoja) visited the farms on snowy days and even on his birthdays and called the entire party, all of the people, and the entire army to the battle of supporting the rural communities every rice-planting season and every fall when the farmers needed extra helping hands.

Night and day, the respected and beloved general kept giving on-the-spot guidance not only to the rural communities in the plains areas but also to the cooperative farms in the northern mountains to please the leader (suryong) who cared about farming in the fatherland even during his visits to foreign countries.

Even while they transplant rice seedlings and make compost, our farm members and volunteers think about the fatherly leader (suryong)'s lifetime devotion to developing the nation's agriculture and his devotion to the cause of the people and engrave deep in their hearts the lofty ideas of our party which is calling all the people to the farming front.

The first thing that catches one's eyes upon entering Wonhwa-Ri, Pyongwo n-Kun, is a large-sized painting that depicts the fatherly leader (suryong) visiting the place on May 10, 1952 during the formidable fatherland liberation war and vigorously calling our farmers to a wartime effort to increase the production of foodstuff, while joining the farmers sowing the spring seeds.

Comrade Kim Man-sok, secretary of Ri-party, who went out to the cultivated field after resolving his loyalty in front of this noble historic painting early in the morning that marked the 44th anniversary of the war, urged the farmers, speaking through a microphone attached to a broadcasting vehicle, to produce more food grain crops this year in the firm belief that had enabled them to overfulfill last year's food grain crops plan by 101.3% and exclaimed as follows:

"Whether awake or asleep, let us not forget the lofty ideas and great benefits of the fatherly leader (suryong) who visited our farm 30 times, and those of the respected and beloved general who visited us 14 times and let us make a report of loyalty to the great general by doing farming well this year without fail. Without doing farming well this year, no one can speak of loyalty or the revolution or the fatherland."

Let us thoroughly carry out the behests of the fatherly leader (suryong) and make a report of loyalty to the great general by doing farming well.

Without doing farming well this year, no one can speak of loyalty or love for the fatherland.

This is a faith entertained not only by the members of the Wonhwa Cooperative Farm, but also by all of the peasants and people in the country.

Ri-party secretaries in Yonbaek Plains are constantly on the run, too busy to put off their work clothes. When the young cold-nursery rice seedling bed was in danger of being damaged by frost, the agricultural working people in the Mangyongdae District rose up as one and rushed to the rice seedling beds. The sentries in charge of mechanizing the rural communities, including a family of tractor drivers in Yongyon, woke up the sleeping plains with the noise of tractor engines. People in the village of Yongsan, Kaepung-Kun, which sits close to the demarcation line, are keeping every part of the cultivated fields like a garden, reflecting on the slogan reading "The cultivated field in the farm is my own cultivated field." Snow or rain, the agricultural scientists are so engrossed in budding new species that they can never leave the cultivated field unattended.

Filling the hearts of all these people was also a warm, unanimous resolve to raise a triumphal voice of "Hurrah" in the farming front, astounding the whole world and to exemplify loyalty by upholding the fatherly leader's (suryong) behests and teachings.

Farming front!

This battlefield to which the party is calling the agricultural workers is a rewarding guard post, which every one of the people who live in this country and those who grew up and are now enjoying the benefits of the socialist system in the bosom of the fatherly leader (suryong) and the great general, should strive to work for with their sweat. This battlefield is a sacred venue in which to display the revolutionary fighters' noble sense of obligation at the highest level, to weave an epic of loyalty and patriotism, and to engrave deep in the heart the fatherly leader's (suryong) behests and teachings.

To work with creative sweat running down in beads for agricultural production is a way of remaining truly loyal to the party and leader (suryong). The creators contributing to the agricultural production are the genuine loyal subjects and patriots who have devoted themselves to our party, our system, and our fatherland, as well as the revolutionaries in whose veins the sense of obligation runs.

Farming front, march onward! This is a call for a march forward toward the red flag of the revolution, to socialism, and to the fatherland.

Only when the drum of victory is heard loudly on the farming front can the shout of victory be made to reverberate loudly on all of the fronts of the national economic fronts and in all fronts of socialism.

How do we vigorously launch into the farming front of the country?

How much resourcefulness, ardor, and effort should one devote to doing farmwork this year?

This has now become an important yardstick to test the faithfulness, revolutionary spirit, and patriotism of all the party members, functionaries, and all of the revolutionary fighters.

Without any contribution to doing this year's farming well, nobody can dare say that he has performed his duty as a loyal subject and as a filial son or that he is involved in the revolution.

We should all remain loyal to the party and leader (suryong) and firmly defend the socialist fatherland with a shining success attained in the harvest of a bumper crop through the struggle for thoroughly carrying out the great leader's (suryong) behests and teachings, our party's policy of giving priority to farming and by giving full play to the superiority of the subworkteam management system provided by the leader (suryong).

Let us all jump into the farming front to which the party calls and do our share properly to implement the fatherly leader's (suryong) behests and brilliantly carry on the cause of the chuche revolution for the prosperity and wealth of my country and my fatherland founded by the fatherly leader (suryong) and my country and fatherland made to shine by the great general.

Let us all march forward toward the farming front for the immortality of the great leader (suryong) and for our own style of socialism of our own style in which the fatherly leader's (suryong) lifetime is imprinted!

DPRK Editorial Stresses Support for Farming

962C0084A Pyongyang *NODONG SINMUN*
in Korean 23 May 96 p 1

[*NODONG SINMUN* Editorial: "The Whole Country, All of the People, Let Us All Rise Up and Positively Support the Rural Communities"]

[*FBIS* Translated Text] A busy farming season has come around us. The farming plains throughout the country are seething with the rice-planting battle. In order to achieve without fail a bumper crop this year,

upholding high the party's intention, it is imperative for the whole country and all of the people to rise up as one to positively support the socialist rural communities. The great leader (yongdoja) Comrade Kim Chong-il has noted: **The work of supporting the rural communities with labor should be strengthened even further.**

To positively support the rural communities with labor and material is an important requirement to increase the agricultural production by upholding the fatherly leader's (suryong) lifetime wishes. During his lifetime, the great leader (suryong) had spared no pains in putting forth all his energy and devoting himself to making the people's material living more affluent by decisively increasing the production of food grain crops, and gave earnest teachings on implementing the policy of giving priority to farming thoroughly. We can never forget the uninterrupted, hard effort made by the fatherly leader (suryong) who concentrated so much on the country's agrarian question, never relaxing for even a moment, and always willingly walked along the treacherous banks around rice paddies and remote mountainous roads. We should bring about a new turnaround in the production of food grain crops by upholding the fatherly leader's (suryong) behests. To this end, we should vigorously embark on the work of supporting the rural communities. This year is a year in which there should be a new turnaround in the agricultural production. Only when we harvest, without fail, a bumper crop this year can we defend our own style of socialism more firmly and give full play to its superiority. The struggle to bring about a revolutionary upsurge in this year's agricultural production is a struggle aimed at beefing up national strength even further and at bringing the whole scope of socialist construction up to an even higher level as well as a struggle designed to crush the maneuvers of the imperialists and reactionaries intent on isolating and obliterating us. Our party is now pouring primary energy into the implementation of our party's policy that gives priority to farming and has taken all sorts of measures related to it. The whole country and all of the people should energetically take up the work of helping the rural communities and realize the practical significance of the party's wishes and the agricultural production more deeply than ever. Herein lies a way of thoroughly implementing the thesis on the socialist agrarian question and a way of performing our duty as the faithful warriors and disciples of the respected and beloved General Kim Chong-il. Now is the time when we should focus our labor and technological means on farming. The rice planting, which starts throughout the country almost simultaneously and which needs to be done within a short period of time requires that more manpower and more mechanical equipment be mobilized. Functionaries and working people in all sectors and all units of the national

economy should launch as one into the rice-planting battle, bearing in mind that supporting the rural community translates into a rewarding work both for themselves and the country. What matters most when the party members and working people provide positive support to the rural communities is for them to regard the party's wishes as a life-and-death demand. Our party's consistent policy urges the industry to help farming, cities to support the rural communities, and the working class to help peasants. Insisting that to increase the production of food grain crops is the most important issue in carrying out the revolutionary economic strategy of the present time, the great leader (yongdoja) Comrade Kim Chong-il has always emphasized the need for the whole country and all of the people to energetically support the rural communities. Permeated throughout this are the unwavering resolve and noble wishes of the respected and beloved general who is bent on making our people's living more affluent by thoroughly carrying out the fatherly leader's (suryong) behests. All the party members and working people should rise up as one to join in the work of supporting the rural communities, an immediate task facing them, cherishing deep in their hearts the respected and beloved general's wishes. Bearing in mind that there can be no argument over the division of duties when it comes to the implementation of the respected and beloved general's thoughts and wishes, we should all voluntarily participate in the work of supporting the rural communities with an attitude befitting a master. This year, we should demonstrate in full the might of a single-minded unity of our people who rise up as one whenever the party calls on them, going through fire and water. Another important thing that arises in doing the work of supporting the rural communities well lies in having all the party members and working people mobilized decisively. The degree of enthusiasm on the part of the working class and people of all walks of life who are willing to support the socialist rural communities is very high. All of the people in the country unanimously hope that they can harvest a bumper crop by completing the rice planting in time through concerted effort with the agricultural working people. All the sectors and the units of the national economy should organize, on their own responsibility, the work of supporting the rural communities in conformity with such a revolutionary zeal of our people. While overfulfilling their assigned tasks, plants, enterprises, and organs should see to it that more people are mobilized in the work of supporting the rural communities by concretely planning and coordinating the labor organization work. All the functionaries and working people mobilized in the work of supporting the rural communities should offer substantial assistance to farming with an attitude befitting a master and display a high revolutionary spirit of fulfilling tasks without fail

the very day they are assigned. At the same time, functionaries of the sectors concerned should make positive efforts to guarantee good working and living conditions for the personnel mobilized in the work of supporting the rural communities to encourage them to carry out their assignments on their own responsibility. Support to the socialist rural communities should be in the form not only of labor, but also of material and technology. What the rural communities which are vigorously carrying out the rice planting need in quantity is an assortment of farming materials. Only when a variety of farming materials, other materials, and machinery such as rice-seedling picking machines, rice-planting machines, chemical fertilizer, and farming-tool parts are supplied sufficiently can the battle of rice planting be guaranteed a success and the material and technical foundation of the rural communities be solidified. All the sectors of the national economy should pay primary attention to the support of the rural communities and vigorously wage a struggle to send more farming material to them. For the whole country and all of the people to rise up as one and support the rural community energetically, it is important for the party organizations at all levels and functionaries to plan and coordinate the organizational political works. Party organizations at all levels should vigorously set the political works in motion so as to make the party members and working people approach the work of supporting the rural communities with a high degree of revolutionary zeal. Sectors concerned should organize the work of supporting the rural communities with a detailed plan and routinely check to see whether the works are carried out as planned and then sum them up in a timely manner. Rice is socialism and we can display in full the superiority of our own style of socialism only through the increased production of the food grain crops. All the sectors and units of the national economy should rise up as one in the work of supporting the rural communities and complete the rice planting qualitatively at an appropriate time so as to harvest a bumper crop this year without fail, upholding the party's call deep in their hearts.

South Korea

ROK: Saangyong, U.S. Firm Form Joint Venture Investment Company

SK0908051796 Seoul THE KOREA HERALD
in English 9 Aug 96 p 8

[FBIS Transcribed Text] Saangyong Investment and Securities Co. has joined hands with a U.S. fund management company to set up a joint venture investment trust company in Korea.

Milton S. Kim, president and chief executive officer of Saangyong, and James P. Rooney, head of global strat-

egy at Templeton Worldwide, Inc., signed a memorandum of understanding (MOU) yesterday at Saangyong's head office in Yoido.

With equal investments of 30 percent, Saangyong and Templeton will share the ownership of the joint venture firm, tentatively named the Saangyong Templeton Investment Trust Management Co. The remaining 40 percent will be shared by one domestic and one foreign investor, both with stakes of 10 percent or more, and several other firms. All members of the consortium, with the exception of Saangyong and Templeton, will be silent partners.

The newly established investment trust firm is expected to begin operations Dec. 1, 1996. The cost of the investment has yet to be decided.

During a news conference, Kim declined to mention the identity of the silent partners. However, he did mention that they are now in the process of screening suitable candidates.

The head of the local securities firm emphasized that the actual management of the newly established investment trust firm is to be given full autonomy from Saangyong and Templeton, in a bid to maximize and protect clients' benefits.

However, this does not mean that Saangyong and Templeton will just sit back and watch, according to the firms' representatives. Saangyong plans to offer its "aggressive" techniques as well as its know-how of the domestic market, while Templeton agreed to provide the joint venture firm with asset management, product development, marketing, as well as personnel assignment and training know-how and technology.

Templeton has a reputation for value-added, long-term and fundamentally sound investments. Templeton, officially known as the Franklin Templeton Group, already has \$1 billion invested in the Korean stock market in various external funds and is seeking to expand rather than bail out. With assets under management over \$160 billion as of July this year, Templeton was recently ranked as the third largest independent fund management company in the United States.

Templeton's conservatism is also well known — for example, it is famous for never buying shares in the alcohol, cigarette and gambling industries. Rooney did not say whether such standards will also be adhered to in Korea.

Asked why the firm hadn't waited until it was possible to come into the domestic financial market alone, without any partners, he pointed out that early players have advantages in the domestic market. He also emphasized

that a team effort between the two firms is expected to be far more successful than a sole effort on Templeton's part.

ROK: Seoul Formally Denies Any Secret Contacts With DPRK

SK0908125696 Seoul YONHAP in English
1245 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 9 (YONHAP) — The government Friday evening formally denied as "not true" some press reports that South and North Korea have been holding secret contacts lately.

The denial was made in a comment made by Kim Kyong-ung, spokesman of the National Unification Ministry.

Some foreign and domestic press medias have reported the two Koreas had held secret contacts following the offering of four-way talks to discuss permanent peace on the Korean peninsula.

The foreign medias that made the reports included the U.S. NEWS AND WORLD REPORT, JANE'S INTELLIGENCE REVIEW and NHK of Japan.

The HANGUK ILBO, in a dispatch from Beijing, said in its Saturday issue that at least three rounds of working-level governmental South-North contacts took place in Beijing on Aug. 3-6.

It said five delegates led by a bureau-director-level official attended the secret contacts from each side.

ROK: Red Cross Official Interviewed on Relief Goods in DPRK

SK0808145896 Seoul HANGYORE SINMUN
in Korean 8 Aug 96 p 3

[Interview with Geoffrey Dennis, a North Korea-based official of the International Committee of the Red Cross, by correspondent Yi Kil-u in Beijing on 6 August]

[FBIS Translated Text] [Yi] How long have you worked in North Korea?

[Dennis] I have worked in North Korea as a representative of the International Committee of the Red Cross [ICRC] since May. In particular, I did relief work in Sinuiju, Pakchon, Huichon, Unpa, Tongain, and other flood-stricken areas for two weeks, from late July until 5 August.

[Yi] How was the damage from the flood?

[Dennis] The damage was very serious. The damage was extremely serious in Sinuiju and northern areas and areas south of Pyongyang. The food crisis in the

northern areas has further worsened because the areas were also hit by last year's flood.

As for plains in Hwanghae Provinces and other areas, the grain harvest was projected to be better than that last year. However, experts project the harvest will be reduced by 15 to 20 percent because of the flood.

[Yi] Would you elaborate on the human losses?

[Dennis] The North Korean Government officially announced that 116 people had died. However, ICRC officials from across the country say that the casualties would increase because many other people were injured.

[Yi] Have you seen the relief goods from the South Korean National Red Cross distributed?

[Dennis] I saw three ships deliver flour, edible oils, and milk powder which South Korea sent. These relief goods were very useful to ordinary North Koreans.

[Yi] High-ranking South Korean Government officials have recently alleged that the relief goods were transferred to the military. Can you confirm this?

[Dennis] That is a groundless allegation. Because many foreign press organizations have been interested in this matter, the ICRC has paid keen attention to whether the goods are transferred to the military. Also, we are closely watching the distribution of relief goods. ICRC officials are watching the unloading of relief goods to prevent them from being delivered to the military. We are also in charge of the transportation and distribution of goods. We have videotapes and films showing the relief goods being delivered to flood victims. We also have receipts signed by victims who received relief goods.

[Yi] Would you elaborate on how North Korean people receive the relief goods?

[Dennis] Flood victims hand in registration forms indicating their names and the number of family members to the ICRC, and the ICRC then distributes relief goods to them upon confirming their identification cards. We distributed 450 grams of rice a day, and 2.2 kg of flour per person.

ROK: Japan's Kajiyama Calls ROK Envoy, Apologizes for Remarks

SKD908074196 Seoul YONHAP in English
0633 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 9 (YONHAP) — Chief Cabinet Secretary Seiroku Kajiyama of Japan apologized Friday for his remarks the previous day on the possibility of street war in Japan by pro-Seoul and pro-Pyongyang forces in Japan if war broke out in Japan, a Foreign Ministry official said.

Kajiyama telephoned South Korean Ambassador Kim Tae-chi early Friday to apology for his remarks, saying that "I'm very sorry to inconvenience the South Korean Government and its people," according to Director General Kim Ha-chung of the ministry's Asia and Pacific Affairs Bureau.

Kim also quoted Kajiyama as saying that "I gave an incorrect example while stressing the importance of the need to introduce legislation to cope with emergency situations."

While conversing with Kajiyama, Ambassador Kim delivered deep regret of the South Korean Government over Kajiyama's remarks and said that the remarks provoked the national sentiments of South Korean people.

The Foreign Ministry, in a related move, issued a statement to express deep regret over Kajiyama's remarks.

"We cannot but express our surprise over the remarks by a Japanese cabinet minister which are unfriendly to the reunification of the Korean peninsula," the statement said.

It also expressed deep regret that Kajiyama made the remarks which heightened alertness against ethnic Koreans in Japan who have obeyed the national laws of Japan and have played a constructive role in the Japanese society.

"We urge social leaders of Japan to take this case as an opportunity for them to make an effort to establish a future-oriented relationship between the two countries based on the right perception of history and the spirit of friendship," the statement went on further.

While delivering a speech Thursday at a meeting of business leaders in Yamanashi prefecture, Kajiyama said that "If war broke out on the Korean peninsula, a mass of refugees are expected to come to Japan. Street or guerrilla wars are also expected when they, with organizations in Japan, are internally divided and equipped with arms."

Kajiyama went on to say that "what is the most terrible thing, among others, is getting South and North Korea together (reunification of the Korean peninsula) and the absence of a United States military presence (on the Korean peninsula). In that situation, Korea will surely become impoverished and, by then, we can no longer guarantee that Korea will not again raise the issue of compensation for Japan's colonization of Korea."

Immediately after the report on Kajiyama's remarks late Thursday, the Foreign Ministry hurriedly instructed its mission in Tokyo to contact the Japanese Foreign Ministry to confirm the reports.

Kajiyama was not available Thursday night but called Ambassador Kim Friday morning to apologize for his inappropriate remarks, ministry officials said.

Director General Kim Ha-chung, explaining to reporters the response from Kajiyama, said that his ministry decided to accept the apology and will not take issue with it any longer.

The remarks of Kajiyama, however, cannot be underestimated in that he is an incumbent cabinet minister who officially speaks for the Government of Japan, officials said.

The remarks, coupled with Japanese Prime Minister Ryutaro Hashimoto's recent visit to the traditional Japanese shrine to commemorate the Japanese war dead including those executed for their roles in the Second World War, represent the rising nationalism in Japan, they said. It's been more than ten years that the shrine was visited by prime minister of Japan.

The South Korean Government was especially surprised at the Japanese minister's negative view of the national reunification of the Korean peninsula in that the remarks seemed to support the suspicion among South Koreans that Japan does not want Korean reunification and is afraid that a unified and stronger Korea might pose a threat to its neighbor, officials said.

"It's very surprising to hear that Kajiyama made such remarks considering the fact that he behaved very carefully on Korea-Japan relations," Director General Kim said.

A graduate of Japan's military academy, Kajiyama served as justice minister and secretary general of the Liberal Democratic Party (LDP), the largest party within the three-party ruling coalition. He is also considered one of the hard-line ultra-rightists within the LDP.

Considering the rising nationalism in Japan adversely affecting relations with Seoul, especially the interpretation of history, the South Korean Government should do more than accept an apology made by telephone, critics say.

ROK, Japan Still Disagree on How To Revise Fishing Treaty

SK0908074896 Seoul YONHAP in English
0649 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 9 (YONHAP) — Two days of talks between Seoul and Tokyo to revise a bilateral fishery pact have failed to narrow differences over whether or not the coastal state principle which allows coastal states to apprehend vessels of any countries

operating illegally in their waters should be introduced, a Foreign Ministry official said Friday.

South Korea put forth three major principles during the talks, the second of its kind, said Deputy Director General Yi Won-hyong of the ministry's Asia and Pacific Affairs Bureau who represented the Seoul side.

These included the establishment of a new fishing order in Northeast Asia which would affect all of South Korea, China and Japan, respect for existing fishing patterns and impartiality in setting price standards and the amount of fish caught and consideration of the special historical relationship between the two countries in connection with the fishing treaty.

The Seoul side also demanded that any revision of the bilateral fishery treaty only be discussed on the basis of these three principles, Yi said, adding that the fishery pact revision should take place in parallel with the talks on the demarcation of the 200-nautical-mile exclusive economic zones (EEZ) under the United Nations Convention on the Law of the Sea.

The Japanese side meanwhile suggested that the two sides come up with a new fishery pact which guarantees the coastal state principle and introduces a total allowable catch (TAC) system under which ships can operate in waters of other countries on the condition that they pay the necessary fees and catch only what their quota allows.

The 1965 fishery treaty employs the flag state principle which Japan insisted on at the time of the signing mainly because of the more advanced technology of Japanese vessels violating Korean waters.

Although South Korea acknowledges the need for introducing the coastal state principle as advocated by the UN convention, Seoul needs time because Beijing wants to employ the flag state principle in negotiations with Seoul, Yi said, adding that South Korea wants a fishery pact which can apply equally to Tokyo and Beijing to create a new fishing order in Northeast Asia.

Yi also said that the fishery talks should proceed in harmony with the talks for setting the boundaries of the EEZs of the two countries, adding that the fishery zones cannot be separated from the EEZs.

"In that sense, the talks on fishery pact and the demarcation of EEZs, now under way in separate sessions, will have to get together at some point in the future," he said.

Officials from Seoul and Tokyo will meet in Tokyo Tuesday to discuss the EEZ demarcations for the two countries.

Yi expected that the talks on fishery pact revisions and EEZ demarcations will last up to two years, considering the complicated matters involved, although the Japanese want to conclude them as soon as possible.

South Korea will also have other talks with China later this month in Beijing involving a bilateral fishing treaty. No fishing agreement exists between Seoul and Beijing.

ROK: Kim Yong-sam Sends Jiang Zemin Cable on PRC's Floods

SK0908075296 Seoul YONHAP in English
0745 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 9 (YONHAP) — President Kim Yong-sam cabled to his Chinese counterpart Jiang Zemin Friday a telegram conveying condolences for the heavy death toll and property damage caused by floods that swept through a number of areas in China.

"On behalf of the Korean people, I convey to you and the Chinese people sincere consolation and deep condolences over the heavy death toll and property damage China sustained at various places from the recent torrential rains," the chief executive said in the telegram.

Kim also expressed the hope that damage caused by the flood will be quickly cleaned up and rebuilt.

He also expressed gratitude to Jiang for the latter's telegram of consolation cabled late last month when downpours caused deaths and property damage in South Korea.

ROK: Business Delegation Planning Visit to Taiwan
SK0808075196 Seoul YONHAP in English
0600 GMT 8 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP) — Amidst signs of trying to improve diplomatic ties between Taiwan and North Korea, the dispatch of a South Korean economic delegation to Taiwan is currently being pushed for in order to reopen Seoul-Taipei private economic channels, which were severed in 1992 when both sides broke off diplomatic relations.

The Federation of Korean Industries (FKI) said Thursday that it plans to send a 20- or 30-member mission, led by FKI Vice Chairman Hwang Chong-hyon, to Taiwan sometime around November to create a mood of economic cooperation and rebuild severed private economic exchange routes between the two countries.

The mission will make industrial tours there, and consult with such Taiwanese economic organizations as the Chinese National Association of Industry and

Commerce and the Council for Seoul-Taipei Economic Cooperation, an FKI official said.

Delegates will be officials from businesses interested in trading with Taiwan, and from such associations as the Korea Federation of Textile Industries, the Electronics Industries Association of Korea and the Korea Iron and Steel Association.

South Korea had 1.61 billion U.S. dollars in exports to Taiwan in 1991 and 2.26 billion dollars in 1992. After the severance of diplomatic ties between the two countries, exports grew slowly to 2.30 billion dollars in 1993 and 2.73 billion dollars in 1994.

Last year, however, the exports increased substantially to 3.88 billion dollars due to the Taipei government's more mollified stance on Korea, for example, allowing Korean enterprises to take part in its international tenders.

ROK: South Korean Seeks Political Asylum in Germany

SK0908000496 Seoul KBS-1 Radio Network
in Korean 2300 GMT 8 Aug 96

[By Berlin-based correspondent Yi Myong-ku]

[FBIS Translated Text] (Gehart Hoisler), court-appointed lawyer for the Korean asylum seekers in Germany, confirmed on 8 August that Yi Chu-hui, 39, was among these asylum seekers and that Yi is not a North Korean, but a South Korean who is studying in Germany. Yi came to study in Germany in the mid-1980's and since last year, has worked at the European Regional Headquarters for the National Alliance for the Country's Reunification [Pomminnyon]. Unable to extend the student visa any longer and finding it difficult to return home because of antigovernment activities, Yi has reportedly decided to seek asylum in Germany. Germany allows foreign students to extend their German visas for up to 10 years.

(Hoisler) identified another asylum seeker as C.S. Chong, but did not disclose details regarding Chong's identity.

A Korean residing in Berlin said: I heard that Yi Chu-hui is at a refugee camp in Stuttgart and that Yi sought asylum three weeks ago, but that it was rejected a week later.

Previously, (Hoisler) had revealed that four South Koreans claiming to be North Koreans had sought political asylum at the ROK Embassy in Germany, only to be turned down, so they were filing a lawsuit with the German Court demanding that the decision be overruled.

The asylum seekers hope to settle in Germany, but it is unlikely that Germany will accept them.

If they are North Koreans, Germany is unlikely to return them to North Korea, which it classifies as a country infringing upon human rights.

ROK Decides To 'Crack Down' on Illegal Student Activism

SK0908054896 Seoul YONHAP in English
0454 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP) — The administration has decided to crack down on the illegal assemblies the Korean Federation of University Student Councils (Hanchongnyon) has been sponsoring in commemoration of the national liberation day falling on Aug. 15.

Among such assemblies is "The 6th Unification Festival" the outlawed National Alliance of Youth and Students for the Country's Unification (Pomchonghangnyon) plans to hold at Yonsei University between Aug. 13-15.

The decision was reached Friday at a meeting of public security-related ministers presided over by Prime Minister Yi Su-song and held at the prime minister's residence, the prime minister's office reported.

Prime Minister Yi instructed the ministers to explain to student activists and dissident organizations that their planned pro-Pyongyang assemblies impede the government's persistent unification policy and that the government is firmly determined not to condone any illegal acts."

Yi also instructed the ministers to mete out "firm and stern legal steps" against those who benefit North Korea including those who have illegally entered the North.

Some 1,000 "unification vanguards," affiliated with the Korean Federation of University Student Councils, have been demonstrating in a series of major provincial cities since Aug. 2, demanding the repeal of the National Security Law, release of political prisoners and the withdrawal of U.S. forces from Korea.

Two student activists — Yu Se-hong from Choson University and To Chong-hwa from Yonsei University — are reportedly flying to Pyongyang from Berlin Friday to attend meetings of the North's National Alliance of Youth and Students for the Country's Unification.

All these acts violate the positive law, the ministers agreed, according to officials at the prime minister's office.

Attending the meeting were Deputy Prime Minister and National Unification Minister Kwon O-ki, Home Minister Kim U-sok, Justice Minister An U-man, Education Minister An Pyong-yong and Information Minister O In-hwan.

ROK: Transparency in Nuclear Plant Operations Urged

SK0908050896 (Internet) The Digital Chosun Ilbo
WWW in English 1203 GMT 8 Aug 96

[Editorial: "Cover-Up at Yonggwang Nuclear Plant?"]

[FBIS Transcribed Text] The operation of Yonggwang Nuclear Power Plant's No. 2 generator was shut down due to a crack in the steam generator. The Korea Electric Power Corporation (KEPCO) says that only a small amount of coolant in the primary system leaked out and that the amount of radioactive material was below the permissible level, but the local residents' committee counters that huge amounts of radioactive material were discharged. Since it is said that small amounts of leakage from the steam generator pipes of the nuclear power plant occur frequently, there should be periodic maintenance and prevention measures taken and after a period of time, the whole system should be replaced.

Since the Yonggwang Nuclear Power Plant is only nine years-old, one may presume there is some looseness in prevention and maintenance procedures. Compared with Chernobyl or the Three-Mile Island, this incident may be a very minor one but, nevertheless, it reflects a serious problem in our way of thinking and our procedures for dealing with these kinds of incident. Although this mishap occurred on July 18, it was found that KEPCO was trying to fix it without making any type of public announcement, putting into question its integrity in dealing with the public.

We cannot help but stress full disclosure and openness regarding the operation of nuclear power plants since it has become the target of disbelief in the world and especially so in our country. The consequences of this include the failure of nuclear waste treating facilities on Kurop Island and the withdrawal of permission to build Yonggwang No. 5 and No. 6 power plants from the county chief over a dispute concerning hot water. These difficulties are exacerbated by anti-nuclear campaigns and the refusal of policymakers and plant project managers to deal frankly with the public in disseminating information. In this case, if a public announcement had been issued as soon as this incident occurred on July 18, the level of disbelief and mistrust would not have become so amplified.

There are a number of technological and systematic improvements which need to be made. If, after only nine years of operation maintenance is needed at Yonggwang, then we must wonder what measures need to be taken to secure other older nuclear power plants. In advanced countries, the current trend is to replace steam generator tubes after only ten years. In the future, we need to require full public disclosure whenever such incidents occur. By developing the habit of hiding information from the public, a bigger incident may take place, sealing the doom of Korea's nuclear power plants forever.

ROK Article Views Creation of New Maritime Ministry

SK0908050596 Seoul THE KOREA HERALD
in English 9 Aug 96 p 8

["News analysis" by Kang Sok-chaе]

[FBIS Transcribed Text] A new ministry to handle overall maritime and fisheries affairs was officially launched yesterday with the naming of a new minister.

The growing need for a more systematic, efficient organization to handle overall maritime and fisheries affairs and to effectively cope with the rapidly changing ocean environment in the coming 21st century, resulted in the establishment of the Ministry of Maritime Affairs and Fisheries (MMAF).

The new ministry, composed of two offices and six bureaus, consolidated all functions and structures of the now-defunct Korea Maritime and Port Administration and the Fisheries Administration of Korea, while absorbing part of the maritime-related affairs handled by 10 other government agencies.

The ministry will have the National Maritime Police Agency under its control as an independent body, removed from the influence of the Ministry of Home Affairs.

The formation of the new ministry came two months after President Kim Yong-sam revealed the government decision to set up a maritime affairs ministry in a commemorative speech marking the first "Oceans Day" in Pusan May 31.

The government passed a bill on the new ministry's office organization Tuesday. The sign board-hanging ceremony for the ministry is scheduled for Aug. 23 in the ministry's new building in Yoksam-tong, Kangnam-ku.

"The new ministry should direct most of its energies to the production of mid- to long-term maritime-related policies in a systematic and efficient way to prepare for

the coming 'new ocean age' in the 21st century," said a maritime expert.

The expert called for the new ministry to place more emphasis on research and development (R&D) of ocean science and technology; an expanded utilization of ocean minerals and energy resources; and on strengthening the international competitiveness of the shipping industry.

He also stressed the importance of stepped-up safety checks on passenger boats and oil tankers as well as prevention of ocean contamination.

"The ministry should step up its functions to work out future-oriented mid- to long-term maritime policies, thereby helping Korea rank among the world's major maritime powers," he said.

He believes that the consolidated new ministry will increase synergy with consistent production and implementation of maritime policies.

Most maritime experts say that the launch of the new ministry will greatly help accelerate the pace of development of the nation's maritime industry with its enhanced status.

They expect a bigger say in forthcoming negotiations on shipping-related affairs with other government ministries, such as the Ministry of Finance and Economy and the Ministry of Trade, Industry and Energy.

They point out that the most urgent task facing the new ministry is to work out comprehensive policies related to ocean development and preservation as well as on ways to secure ocean sovereignty in preparation for the 21st ocean age.

In the new ocean age, experts say that a country's overall competitiveness depends in large part on efficient management of the ocean.

To produce efficient, competitive maritime-related policies, the new ministry has many problems to solve, including the issue of how to harmonize conflicting interests between the former Korea Maritime and Port Administration and the Fisheries Administration of Korea.

ROK: Deputy Premier Na Replaced Over Budget 'Climb' With NKP

SK0908050096 Seoul THE KOREA TIMES in English
9 Aug 96 p 9

[Article by staff reporter Yi Chang-sop: "Na — Scapegoat for Budget Game: Ahead of Presidential Election"]

[FBIS Transcribed Text] Na Ung-pae quit his post as head of the nation's economic management team

because he tried to draw up next year's budget without political pressure from the ruling party.

He was replaced by Han Sung-su, a career economist in the New Korea Party (NKP) and a confidant of President Kim Young-sam. Han is expected to formulate next year's budget that will be pro-ruling party.

But the public worry is the budget might be inflationary and threaten the price-stability policy his predecessor Na Ung-pae pursued.

The transfer of "budget expert," Yi Sok-chae to the post of senior presidential secretary for economic affairs from a post in charge of communication and information, also symbolized how President Kim and his deputies are attaching importance to the role of next year's budget in the presidential election next year, observers said.

In the government circle Na was forced to resign because of his refusal to cooperate with the NKP in budget. Outside the government ring, Na quit to take moral responsibility for the recent economic problems.

On the surface, Na left his post seven months after assuming it, due to the economic problems characterized by a record current account deficit, inflation and a slowdown in economic growth.

But the real cause behind his departure was the recent clash with lawmakers of the ruling party, who had repeatedly urged Na to give special consideration to their electoral districts in setting the 1997 budget.

Despite the pressure, Na told his deputies to establish a tight budget which should not be swayed by any political consideration.

Na's recalcitrant attitude allegedly raised concern in the New Korea Party that the Kim administration might alienate the voters ahead of the crucial presidential election year next year, observers here said. And President Kim apparently picked Han with this in mind.

Further angering President Kim was Deputy Premier Na Ung-pae's alleged "easy-going" attitude over the widening current account deficit. Na has repeatedly said even at the expense of a widening trade deficit, Korea must pursue a price-stability policy. During these days, the nation was sharply divided over diagnosing the economic woes.

One group, led by Na and professional economists, said that Korea cannot "kill three birds (trade surplus, price stability and high growth) with one stone." This group warned that any attempt to trim the widening trade deficit artificially or through protectionist methods, would result in Korea losing all of the three birds. This camp also advocated that Seoul must pursue its planned

entry into the Organization for Economic Cooperation and Development as scheduled.

However, the other group, engineered by the media and a group of politicians, criticized the government for the swelling trade deficit, and bowing too much to OECD pressure just to get a seat. This group said the economy was in a "crisis."

Na also became target of criticism from chaebol as he pursued a policy to make corporate management transparent.

The departing deputy-premier earned respect from the foreign business community here by advocating that Korea's future survival is the hitech foreign firms will bring in. He repeatedly took measures to improve the foreign investment climate here. But whatever steps Na implemented to attract foreign investment drew jeers from the local business community, saying that Korean firms are facing "reverse discrimination" vis-a-vis foreign firms as foreign companies will enjoy privileges that local firms can't. The prime case was the announcement to permit foreign manufacturing firms to borrow "cheap" foreign capital from next year.

Na's quitting will not result in a sudden U-turn from the economic policy he pursued. Na and Han have common characteristics and careers.

They were economics professors at Seoul National University and served as trade-industry ministers and enjoy respect from trading partners.

Except for jump starting the economy, new Deputy Premier Han has few magic tools to drastically cut the deficit, observers said.

ROK: Han Sung-su Says Government Should Redefine Economic Role

SK0908075996 Seoul YONHAP in English
0735 GMT 9 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 9 (YONHAP) — Finance and Economy Minister Han Sung-su said Friday the government should develop a variety of policies to induce industry to increase productivity and infuse the economy with the fresh energy and vitality needed for a leap forward.

Speaking at his inaugural ceremony held in the ministry's auditorium, the new chief economic policy-maker of the cabinet noted the extensive growth of the South Korean economy has now reached its limit.

Foreign labor imports and increasing corporate investment overseas attest to the fact that the economic growth based on a quantitative expansion of production factors,

such as labor, land and equipment, has come to its limit, Han, who concurrently serves as deputy prime minister, remarked.

For the economy to recover its vitality for a fresh take-off, a new socio-economic environment should be created where "an uninterrupted growth of industrial productivity through creative deconstruction, technological innovations, a spirit of enterprise and quality labor carries a high value," he stressed.

He also stressed the need to develop a variety of policies conducive to increasing productivity, while calling for innovative efforts on the sides of both labor and management and economic system reforms on the side of the government.

Han said the government's role in the economy should be redefined, as the economic situation of the country changes, adding that the distribution of economic and industrial resources should be left to market mechanisms.

The government should instead focus its efforts on checking inflation and maintaining employment at a stable level for security of the people, while putting greater emphasis on the on-going agricultural and small-industry restructuring programs for their development to the international standards.

He said, "leaving resource distribution to market mechanisms would make the distribution most effective and

this will be a short-cut to the development of the economy's growth potential."

The government will continue easing or removing rules which unnecessarily restrict economic and business activities until all players in the economic activity will personally feel the deregulation, he added.

The government will pursue all price-related policies, such as those concerning public spending, money supply, wages, land prices and commodity distribution, in a manner that makes inflation manageable.

In addition, an effort will be made to improve the quality of life for the people by continuing to improve living conditions, such as environment, traffic systems and leisure facilities.

Noting the swelling current-account deficit, the new deputy prime minister said the sharp fall of personal savings rate from the 30-percent level "has constituted a major cause of the imbalance."

In conclusion, the new economic deputy prime minister said he would make regaining the people's confidence in the government's economic policies the most important policy objective, saying economic policies are castles in the air, no matter how excellent, if the people do not believe in them.

Burma

Burma: Railroads Built With Defense Services Personnel Labor

BK0808155496 Rangoon *THE NEW LIGHT OF MYANMAR* in English 8 Aug 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Documentation of and honouring the Bago [Pegu] Yoma Ring Railroad Construction Project implemented solely by the Tatmadawmen [Defense Services personnel] was discussed at the office of the Commander-in-Chief, Army, at 1330 today and Secretary-2 of the State Law and Order Restoration Council, Chief of Bureau of Special Operations, and Chief of Staff, Army, Lt-Gen Tin U delivered an address.

He said the State Law and Order Restoration Council has been implementing historic projects with might and main for national progress while undertaking State responsibilities.

He noted nation-building endeavours included those carried out by the respective ministries, State or Division-wise and also those jointly undertaken by the State, the people, and the Tatmadaw in unity.

He said the Tatmadaw being a patriotic one is concentrating on community welfare work. The Tatmadawmen are discharging national defence, training and community welfare duties, he said. The Bago Yoma Ring Railroad, he said, is being built solely by the Tatmadawmen. He emphasized that as the three Light Infantry Divisions (LID) — No 33 LID, No 44 LID, and No 66 LID — are building the railroad in competition to complete it on schedule according to the prescribed norms and standards, there has been progress, he said.

He said the meeting was called to discuss documentation of the project and honouring the Tatmadawmen for contributing labour.

Speaking next, Minister for Rail Transportation U Win Sein said new railroads stretching 448 miles have been built during the time of the State Law and Order Restoration Council. He declared that there are no railroads that have been built without the Tatmadawmen's labour, adding, local people also extended their assistance in the projects.

He disclosed that Myanma [Burmese] Railways has been able to complete certain railroads within six months compared with ten years that took in the past. He added that new railroads similar to the Bago Yoma Ring Railroad will continue to be built in future. He assured that the Ministry of Rail Transportation will continue to provide necessary assistance.

General Staff Officers, Grade 1, of the LIDs building the railroad reported on progress of work.

Afterwards, leader of the Panel of Judges, Tatmadaw Chief Inspector-General Maj-Gen Sein Htwa explained the programme for judging work performance and honouring the builders. Lt-Gen Tin U replied to points raised at the meeting.

The meeting was also attended by Vice-Adjutant-General Brig-Gen Than Tun, Chairman of Taninthayi [Tenasserim] Division Law and Order Restoration Council Brig-Gen Thura Thiha Thura Sit Maung, Director of Artillery and Armour Brig-Gen Lun Thi, Director of Medical Services Brig-Gen Mya Thein Han, Director of Military Engineers Brig-Gen Maung Nyunt, Deputy Commander of Central Command Brig-Gen Tin Soe and senior Tatmadaw officers, Staff Officers and guests.

In addition to the Bago Yoma Ring Railroad, Tatmadawmen under Military Commands and LIDs are building Mongpyin-Keng Tung road; Dawei [Tavoy]-Myeik [Mergui] road, Myeik-Taninthayi-Bokpyin- Kawthaung road and Ye-Dawei railroad, Ye-Paukpingwin and Kaleinaung- Paukpingwin sections of the railroads as well as NyaungU-Myingyan railroad.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Rafidah, Australia's Downer Discuss U.S. Sanctions

BK0908080996 Kuala Lumpur *THE STAR* in English 9 Aug 96

[Report by Mas Elati Samani — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The United States cannot dictate to other countries who should be their trading partners, International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday.

"Even if it had encountered certain problems with countries like Cuba, Iran and Libya, the U.S. has no business dictating to us who we should be doing business with," she said after she had held an hour-long discussion with visiting Australian Foreign Minister Alexander Downer at her office.

On the meeting, Rafidah said Australia shared Malaysia's sentiment on the issue and was against the U.S. stance which was more towards interfering a country's domestic policies.

Rafidah said Malaysia and Australia also agreed that the International Labour Organisation (ILO) should act on child and forced labour, and social clauses should not be included in the World Trade Organisation work schedule.

On the Asia Pacific Economic Cooperation (APEC) forum, Rafidah said Malaysia would review its first draft to include some positive policy changes made in the past year.

Rafidah said Downer brought up the issue of high import duty imposed on Australian canned pineapple, to which she said Malaysia's import duty was five per cent lower than that of other ASEAN countries.

Downer also expressed Australia's interest to participate in Malaysia's financial services sector but Rafidah said a freeze had been imposed on the issuance of new licences.

"This is because of the high foreign content in the banking and insurance sectors at present but under the Uruguay Round, we could make progressive liberalisation of this sector bearing in mind its high foreign content," she said.

Rafidah also brought up the issue on stringent quarantine procedures on tropical fruits and food entering Australia and had asked for cooperation from the Australian authorities to resolve the problem.

Singapore

Singapore: 1995 Investment in PRC's Fujian Province Jumps 60%

*BK0908080196 Singapore BUSINESS TIMES
in English 9 Aug 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore investment in the southern Chinese province of Fujian jumped 60 percent last year to \$430 million (S [Singapore] \$609 million), the province's visiting governor said here yesterday.

Chen Mingyi, who is leading a delegation of provincial officials, told a press briefing that at the end of last year, Singapore contractual investment in the province reached \$1.89 billion — about 11 percent of the total Singapore commitment in China.

The Republic, where the majority of the Chinese population originally came from Fujian, has become the third largest investor in the province after Hong Kong and Taiwan.

Bilateral trade between Singapore and Fujian also registered a 6 percent increase in 1995, reaching \$280 mil-

lion, according to foreign trade officials in the delegation.

Two Singapore banks, United Overseas Bank and OCBC [Overseas Chinese Banking Corporation] Bank, have set up offices in the province. The visiting Fujian delegation yesterday signed seven contracts and agreements worth \$53 million with Singapore and Malaysian investors at a ceremony at the Trade Development Board (TDB) office. The investment projects range from real estate development to telecommunications and included the establishment of a college in Quanzhou.

The governor also revealed he had reached an agreement with the TDB to send provincial officials here to undergo training at the board's foreign trade institute.

Mr. Chen hoped for more investments from Singapore, particularly in the five pillar sectors of petrochemical, electronics and machinery, construction, forestry, and aqua-farming.

The two priority areas to which he hopes to attract Singapore investments are tourism and light and textile industries.

Singapore: Investigation Shows No Airspace Abuse in Malaysia

*BK0908071596 Singapore THE STRAITS TIMES
in English 9 Aug 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] A thorough investigation by the Republic of Singapore Air Force (RSAF) has established that all its flights through Johor air space have abided by the conditions in the bilateral agreements governing such flights.

The Ministry of Defense [Mindef], which said this yesterday, added that it had received a request from the Malaysian Ministry of Defense to help explore ways to cut RSAF aircraft noise experienced by Johor villages.

It said the two countries enjoyed good bilateral relations and defense cooperation in many fields and added:

"In the spirit of these good relations, the RSAF has implemented several measures that will reduce the noise level when its aircraft fly over southern Johor.

"RSAF aircraft will fly at lower speeds and higher heights when weather permits."

This, Mindef said, had been conveyed to the Malaysian Ministry of Defense.

Cambodia

Cambodia: Hun Sen Appeals to Other Khmer Rouge To Defect

*BK0908092796 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 9 Aug 96*

[“Appeal” issued by Samdech Hun Sen, Cambodian second prime minister and co-commander in chief of the Cambodian Armed Forces, in Phnom Penh on 9 August — read by announcer]

[FBIS Translated Text] Dear male and female officers, noncommissioned officers, and rank and file of Divisions 450 and 415 and of other units; dear compatriots in Pailin, Malai, and other areas:

On behalf of the Royal Government and in the name of the co-Supreme Command of the Cambodian Armed Forces, I wish to warmly and joyfully welcome the spirit of loving the nation, the country, and the people among all of you—the officers, noncommissioned officers, and rank and file, and your families—who have decided to stop fighting and to participate in the process of peace and national union and take part in the restoration and development of Cambodia, the beloved country of all of us.

Your decision and action are neither a surrender nor a submission. They are a commitment by all Cambodians who are duty-bound to contribute to endowing our very unfortunate motherland and people with peace and development after many years of war. You have definitely joined hands to put an end to the suffering of both the nation and people, as well as your families and yourselves.

As outlined in my 8 August 1996 communique, as well as in the recording of my remarks during a military security seminar held in June 1996, on behalf of the Royal Government I wish to reassure you that your lives, security, roles, and mobile and immobile property will be guaranteed and that you are entitled to enjoy your political rights and other interests as other citizens with no discrimination. You will be incorporated into the Khmer Royal Armed Forces, the National Police, the Military Police, the civilian administration, and other specialized sectors of national institutions according to your positions, roles, and skills. You can also choose a desired profession to make a living according to your capabilities.

Beloved compatriots, in view of the current situation and in implementing a clause of the Constitution stipulating that Cambodia is an indivisible state, and thanks to the Royal Government Armed Forces and local authorities in the areas where you are staying, there is no need

for you to flee the areas where you and your families are living. What you need to do is to declare the separation of yourselves from the political and military organizations currently leading and commanding you and to join the legal Royal Government. In so doing, not only will you have contributed to bringing about peace but also to uniting the territory and nation and bringing together the territory illegally separated and controlled by the hard-line ringleaders. Moreover, this also facilitates the preservation of your ownership of houses, land, and other possessions and helps to ease the Royal Government's burden of solving the problems of land, houses, and professions for you in case you leave the areas where you are currently living. You should only leave areas where it is not possible for your own forces to assume control.

Availing myself of this opportunity, I wish to appeal to units in other areas being ordered by the hard-line leadership to attack and oppose the units that have separated themselves and have joined the Royal Government or your own nation and people. You are asked to abandon the nonsensical fighting and to join the national community as Divisions 18, 450, and 415 have done.

I also wish to appeal to the combatants, both male and female, and cadres of all units to help protect the lives of and ensure security for the patriotic leaders who are, by all appearances, being pursued, destroyed, or persecuted by the ringleader Pol Pot. Any individual, group, or unit regarded by the ringleader Pol Pot as traitorous is an individual, group, or unit that wants peace, national reconciliation, and development. This is the logic of the current double-faced antagonism [pakdepak muk pi]. You should strive to protect that face that benefits the nation without fail.

The way to achieve national union according to the framework of the Constitution will certainly bring about an end to the nonsensical fighting, the territorial unity, independence, peace, national reconciliation, and development.

Please, all of you and the compatriots, accept my regards.

[Dated] Phnom Penh, 9 August 1996.

[Signed] Hun Sen

Cambodia: Hun Sen: Officials Now in Khmer Rouge Defectors' Bases

*BK0908062896 Hong Kong AFP in English
0603 GMT 9 Aug 96*

[FBIS Transcribed Text] Korn Pisay, Cambodia, Aug 9 (AFP) — Government officials have entered the

former Khmer Rouge strongholds of Pailin and Phnom Malai to make arrangements for their return to civil administration, Cambodian Co-Premier Hun Sen said Friday.

The arrival of the officials, thought to be from the Ministries of Defense, Interior and Finance, comes a day after three senior Khmer Rouge officials, including Ieng Sary, the former number two in the faction, defected to Phnom Penh with their men and turned their bases over to the government.

"I want to clarify that now people from the royal government are there," Hun Sen said, referring to Pailin in the northwest province of Battambang and Phnom Malai in the northwest province of Banteay Meanchey.

Speaking to reporters after inaugurating a new school in this town southeast of the capital, Hun Sen said negotiations with the former commanders had gone smoothly.

"I want to tell you that everything was prepared very well," Hun Sen said.

"I also want to say that that territory is the territory of the Cambodian nation. (The people there) are now doing everything for national reconciliation."

But military analysts and diplomats in Phnom Penh cautioned that perhaps not all the Khmer Rouge forces in the two areas had defected.

"I find it pretty hard to believe that the whole shooting match is over at Pailin and Malai," said one analyst, noting that Khmer Rouge radio, thought to broadcast from Phnom Malai, was still on the air and calling the three defectors "traitors" who had sold out the movement.

The clandestine radio station called for the arrest of division commanders Mit Chien and Sok Pheap on Friday morning. The radio also repeated allegations of treason against Ieng Sary.

"The feeling is that the defections are for real, but whether it includes all of the Khmer Rouge there, I just don't know," the analyst said. "I'm taking a cautious approach and advising others to do the same."

One Western diplomat said the situation was still unclear to him.

"We're still trying to find out exactly what is going on up there," he said. "Obviously for the Khmer Rouge to react this way (on the radio), something big has happened, but what it exactly is and how big it is, we just don't know right now."

Cambodia: Pheap Says Khmer Rouge Now Split in Two Movements

*BK0908081596 Hong Kong AFP in English
0742 GMT 9 Aug 96*

[FBIS Transcribed Text] ARANYPRATHET, Thailand, Aug 9 (AFP) — Cambodia's Khmer Rouge guerrilla movement has split in two, between modernists led by Ieng Sary and old-time hard-liners, according to dissident Khmer Rouge commander Sok Pheap.

Sok Pheap was speaking to a small group of Thai reporters late Thursday at the Khmer Rouge base at Phnom Malai, in Cambodia south of the Thai border town of Aranyprathet.

He and other guerrilla officers at Phnom Malai said in a Khmer-language statement they recognized only Ieng Sary as their leader, and supported his goal of ending the war in Cambodia.

The statement, a copy of which was obtained by AFP, was issued in the names of Khmer Rouge divisions 450, 415 and 250, based in the Phnom Malai and Pailin areas.

Cambodia: Khmer Rouge Orders Chhien Arrested for Treason

BK0908051596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Aug 96

["Decision" issued by the participants of the Supreme Command of the National Army of Democratic Kampuchea's meeting on 8 August; place not given]

[FBIS Translated Text] Participants in the meeting of the Supreme Command of the National Army of Democratic Kampuchea [NADK] issued the following decision to arrest the named Chhien, commander of Division 415 in Pailin, and send him to the military court to be tried for committing the crime of treason, selling out the nation, and betraying the people, army, and army dependents.

I. During its plenary meeting on 8 August, the NADK Supreme Command took the decision to arrest the named Chhien, commander of Division 415 in Pailin, and send him to the military court to be tried for committing the crime of treason, selling out the nation, and betraying the people, army, and army dependents.

II. Participants in the meeting of the NADK Supreme Command examined the files on this man Chhien that were compiled by the Supreme Command, which had been personally monitoring him for years, and through reports and complaints sent by hundreds of cadres, army members, and their dependents to the Supreme

Command between 1995 and 1996. These files clearly testify to the crime of this Chhien, as follows:

1. This Chhien has established close contact with the commander of the 5th Military Region and the commander of Division 196 of communist Vietnam. They met and drank together on several occasions.

2. This Chhien integrated a regiment of some 400 men from communist Vietnam's Division 196 into the NADK in Pailin, allowing these 400 men to operate freely within NADK's Division 415 in Pailin. It was these men who opened the gates to the forces of communist Vietnam, the communist Vietnamese puppets, and the two heads from Kamping Puoy to Kon Damrei Mountain allowing them to enter Sala Krau without opposition in 1994. It was then that the communist Vietnamese, their puppets, and the "two heads" succeeded in capturing Pailin. Only after the Supreme Command went directly to this battlefield and looked into the problems of this region could enough force be called upon to fight a month-long battle crushing the enemy and driving him out of Pailin.

3. This Chhien was entrusted by the Supreme Command to set up a committee for dealing in the gem trade in order to have funds to support Pailin and to enable the Supreme Command to subsidize forces in the rest of the country. This Chhien, however, did whatever he liked. He gave a portion of the assets from this gem trade, which were worth hundreds of millions of baht [Thai currency], to the traitor Ieng Sary, alias Van, and kept another portion for himself and a couple of his associates. Financially speaking, he accumulated more than 300 million baht for himself from this gem trade. This does not include his extravagant spending spree during the previous nine years and the construction of many of his large, luxurious mansions both in Pailin and abroad as well as the purchase of dozens of luxury cars worth from 800,000 baht to several million baht.

In embezzling the assets from the gem trade, this Chhien robbed the nation, the people, and especially the NADK and army dependents. He was shamelessly and remorselessly sucking up the blood and gnawing at the bones of our inner circle and causing our army members and their dependents in Pailin to go hungry every year. This year, Chhien complained to the Supreme Command, saying that he had no money and that the people, army members, and army dependents were starving. He has asked the Supreme Command to solve the problem.

It should be stressed that the Supreme Command immediately visited the army members and their dependents, gave them encouragement, and supplied them with rice and seeds. This does not mean that the Supreme Com-

mand is dumb and does not know that this man Chhien is in possession of hundreds of millions of baht; however, in a situation caused by such an act of treason, especially one that has particularly affected the army and army dependents and the battlefield as a whole, the Supreme Command has no choice but to immediately solve the problem.

4. This Chhien and a couple of his thugs, such as the named Nhoek, Lanh, and Khieu, threatened to arrest, in a pseudo coup, the NADK Supreme Command representatives, who are more senior in age and who have lead them for decades, ever since they were teenagers. This open offense and threat to arrest the Supreme Command representatives took place on the morning of 6 August.

5. Chhien has become a close buddy of Chum Socheat, the head of the military intelligence of communist Vietnam and its puppets and deputy commander of the order and security agency in Phnom Penh. He has made this contact in order to betray the nation, people, army, and army dependents. It is for this reason that when communist Vietnam and its puppets attacked Pailin in 1994, this Chhien ordered his personnel office head, named Konh, and his wife to take one car and 30 million baht, join Chum Socheat, and reveal all the secrets of the NADK in Pailin to the enemy. The Supreme Command talked to Chhien about this incident, but the man pretended not to understand and refused to take any precautionary measures. This was glaring evidence of Chhien's arrogance and treason. Recently, in June 1996, when this Chhien made preparations to sell himself out publicly, he ordered the named Pat — his right-hand man who lived with him and who was in charge of the gem trade in Pailin — to run away with Chum Socheat's spy and surrender himself to communist Vietnam and its puppets. This Pat took along 125 million baht and four kilograms of gems. According to reliable sources, however, both Konh before him and Pat later on, were robbed of all their money by communist Vietnam and its puppets. They were allowed to keep only 1 million baht each and were used by communist Vietnam and its puppets to spy on and sabotage our forces in Pailin and Malai.

6. There is plenty of evidence to prove that this man Chhien has betrayed and butchered the nation and people, betrayed and butchered the army and army dependents; however, the greatest piece of evidence to confirm that this man is an enemy comes from the communist Vietnamese and their puppets in the words of no other than Hun Sen himself. This proves indisputably his treason, his betrayal to the people, army, and army dependents. It is more glaring than sunlight at noon. On 7 August 1996 Hun Sen clearly

stressed that he himself worked to establish contact through many of his informants and spies with this Chhien in Pailin and with the named Pheap in Malai. This contact was to make Chhien in Pailin and Pheap in Malai surrender to the communist Vietnamese puppets and to destroy the Pailin and Malai bases, meaning to kill the NADK in Pailin and Malai and all their dependents.

III. For this reason, the participants in the Supreme Command meeting have decided to arrest the named Chhien, commander of Division 415 in Pailin, and send him to the military court for trial according to his crime of treason, acts of destruction and murder against the nation and people, and collusion with the enemy of the nation in doing away with the nation, people, army, and army dependents.

The Supreme Command meeting participants have also decided that the Supreme Command representatives are charged with handling and implementing the above decision while heightening a sense of responsibility in reorganizing the leadership of Division 415 by employing the cadres — most of whom are good — and combatants — all of whom are good. The participants will see to it that these cadres can enjoy a decent and adequate livelihood so their spouses can live happily while they themselves fight enthusiastically in their capacity as members of a patriotic and people-loving army against the enemy. They should fight especially against communist Vietnam and its puppets with Hun Sen as its ringleader in order to defeat them during both this 18th rainy season and the forthcoming 19th dry season, just as the NADK and the entire Cambodian nation and people attacked and strategically defeated the communist Vietnamese aggressors, their puppets, and the villainous allies — conspirators of communist Vietnam — in the past 18th dry season.

[Dated] 8 August 1996

[Signed] Participants of the meeting of the NADK Supreme Command

Indonesia

Indonesia: Minister Criticizes U.S. Sanctions on Iran, Libya

BK0908025896 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 9 Aug 96

[FBIS Translated Text] Indonesia disagrees with the U.S. decision to impose sanctions against non-U.S. companies with annual investment of over U.S. \$40 million in the oil and gas industries in Iran and Libya. Even European nations, which are close allies of the United States, have opposed the U.S. policy. Foreign

Minister Ali Alatas made the remarks to reporters during a reception marking the 29th anniversary of ASEAN in Jakarta yesterday. For Indonesia, the national law of a country cannot be applied to another country. Alatas said that he had pronounced the Indonesian stance on the matter three times already.

Indonesia: MP Accuses U.S. of 'Interference' in Internal Affairs

BK0908030796 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 9 Aug 96

[FBIS Translated Text] A member of parliament [MP] has regretted the U.S. policy of interference in the internal affairs of other countries. The White House spokesman said recently that the United States would take action against Indonesia over the 27 July 1996 Jakarta incident. Speaking to reporters in Jakarta yesterday, MP Uray Faisal Hamid said Indonesia's internal affairs rest with the Indonesian people. He said the United States and other countries have no right to interfere in the country's political, defense, security, or sociocultural problems. The MP from the United Development Party reminded the Indonesian Government and people to remain vigilant against the attempts of other countries to break up Indonesia.

Indonesia: Interview With Indonesian Opposition Leader

BK0908093196 Bangkok THE NATION in English 9 Aug 96 pp A8, A10

["Excerpts" of interview with Indonesian Opposition leader Megawati Sukarnoputri by unidentified THE NATION and London-based GUARDIAN correspondents in Jakarta on 2 August]

[FBIS Transcribed Text] [Correspondent] What is your general view of the Saturday takeover of your office?

[Megawati] It started at about 7.30 in the morning when my maid told me the headquarters was under attack. I tried to call the office back but it was very difficult. Without delay I changed my clothes but then another call came. I answered and someone in the office said they were under attack. I told them that I will come but they said, Ibu [Mother, referring to Megawati], please don't come here. The situation is critical. If Ibu comes here you will divide our concentration."

I therefore began to call other members of the PDI [Indonesian Democratic Party] central board. They already knew what was happening and were heading for the headquarters. They told me not to come because of the concentration of military and police officers not only

around the office but also in the radius of one kilometre. The possibility for me to reach the office was very small so it was better for me to wait in this house.

At 8.30 another call came in. Someone from the office said the central Jakarta police chief wanted to talk to me. I took it and asked, "Who are you?"

"Police Chief Abubakar, and who are you?"

"Ibu Mega. What is the purpose of our conversation?"

He said he wanted me to agree on a status quo. I asked him what the status quo was. He said those inside the office should go out and set up a police line and those who were outside the office should not go in.

I told him I will pass the instructions to my commandant in the office. I talked to one of the guards there while the others were looking for their commandant.

But the commandant was at the compound of the office, and very difficult to find, so I told the guy on the line to deliver my instructions to the commandant and the police chief. Before finishing my instruction he said, "Ibu we're under attack again." It was so noisy and that was my final contact. It was around 9 am.

[Correspondent] The government seems to be holding you responsible for the riots. Do you think the pressure on you is escalating? And how will you deal with it?

[Megawati] Since the very beginning I have said that the source of all this problem is the establishment of the constitutional congress in Medan. I have repeatedly tried to send my message to the government, via the Armed Forces commander and the minister of Home Affairs, that something would happen. I sent them letters but got no reply. I did not know what will happen but I can feel it. The enthusiasm of my members is so immense. My supporters were hurt when knowing that I was being treated unfairly. You can see that prior to the congress on June 20 nothing violent happened with either the PDI members or my other supporters. They launched their protests with discipline and in order. On June 20, you can see that when violence was taken against them, they did nothing but defend themselves.

After June 20, I sent delegates to the Jakarta military commander, asking him to assign a place where my supporters could channel their emotions. At last we agreed to set up the free speech forum which is legal. But the government is trying to corner me with the free speech forum, saying that people used the forum to discredit the government. That's slander. The forum is open to the public. If people who delivered speeches did wrongs, the government should have given a warning. I perceived the forum as a political education where people could express their views on democracy.

Although I completely disagree with people who use rude words but when I delivered my speeches, as you can hear it, I always did it in accordance with our culture, the eastern culture, the Indonesian culture.

[Correspondent] I want to know about the riots. What did you think about it?

[Megawati] Just like I have told you, I am not allowed to go out of this house since the riots broke out. All that I know is based on eyewitness reports only. I assume the incident occurred because of a general frustration within the society and particularly because they saw what had happened to us, the PDI, whose headquarters was taken by force.

As the PDI chairperson I have repeatedly said, "Don't take our office by force because it could provoke anger. Could we block anger? Could we ban feelings? They are unorganised and who can make any sort of guarantee?"

When I got pictures and reports, I think those who were out there were unsatisfied and angry with the treatment taken against us. I heard reports mothers were beaten, including the pregnant ones. What is the use of it? Are they my supporters? Perhaps they just sympathise with me. Who is responsible then?

It should be Suryadi. If he is a good leader, which he claimed to be, democratically elected and with the support of the majority of the members, why doesn't he come to the office of the PDI with all of his reasonings. If he has the support of the majority why is he afraid to go to the headquarters and politely ask to take it over? Why should he ask the military to take it over?

I am also against violence. That is why I am filing a suit against the government. People who are not satisfied, how would you like them to express their support and their dissatisfaction?

It is difficult because the people are traumatised with fear. Even today I am still not sure how many people have become victims. How many were injured? Detained? Hospitalised and perhaps died? Quite a lot are classified as "missing". We do not know their whereabouts.

[Correspondent] What is the next step?

[Megawati] Firstly I have to work hard to count the number of the victims. I am also having troubles because of the efforts to link me with the communists. They alleged I have a contact with a former communist leader, Sabardi Rewarbg Parto, whom I do not know. I was still a teenager in 1965 and do not remember that name clearly. I am now also consolidating my members nationwide. Because they keep on asking me about what

to do. Military officers have begun to use force to take over our provincial offices.

[Correspondent] Do you think they might arrest you?

[Megawati] (Laughing) It's possible, it's possible.

[Correspondent] If you are put in jail, what are you going to do?

[Megawati] (Laughing) I don't know.

[Correspondent] What do you think would be the political impact if the government arrested you?

[Megawati] It would be the concern of a lot of people because we believe that Indonesia is a state of law. The arrest would mean that it is not a state of law anymore.

[Correspondent] What do you think about the allegations that the People's Democratic Party (PRD) instigated the riots?

[Megawati] I am really surprised. I heard the name of the PRD after the announcement that the congress was going to be held. I got a lot of support from many people including from non-governmental organisations and student bodies. Just like the others, I heard about them but not specifically.

[Correspondent] What do you think about the charge that it was the work of communists?

[Megawati] It also happened to me when we elected a new chairman of the PDI west Java chapter. It was alleged he was a communist. This generation are mostly born after 1965.

It was 30 years ago. The younger generation, unlike their parents, live under this government with all of its economic stability.

They do not know what had happened in 1965. My question is this: "What has this government done if today they still say that the power of their nemesis is still so great?"

Perhaps, that allegation will create more problems for the government because these youths were in the system of the President Suharto-led New Order government. They have different experiences to their parents.

They have never experienced violence like their parents.

And the world is changed now. We can see that the so-called Eastern Bloc has totally changed.

[Correspondent] Do you have any contact with other foreign leaders?

[Megawati] If you mean friendship, I have a lot of foreign friends. You know that I know Benazir Bhutto quite well.

[Correspondent] When you entered politics, did you expect something like this to happen?

[Megawati] Even before I was born, my parents were already involved in politics.

Our family is the family of freedom fighters, both from my father's and my mother's sides. Perhaps it is part of my destiny to be facing this problem.

[Correspondent] When did you enter politics?

[Megawati] Formally, I joined the PDI in 1986.

[Correspondent] How would you sum up your mission?

[Megawati] Social problems are rampant now like land disputes, labour disputes, unemployment, corruption and collusion. Problems which could create social unrest. [sentence as published]

[Correspondent] When was the first time when you met President Suharto?

[Megawati] It was a long time ago when he was the commander of the Mandala operation to capture Irian Jaya. He often came to the State Palace. His children were in the same school as me although they were my juniors.

Indonesia: Megawati Interviewed on Political Goals, Democracy

AU0908093796 Hamburg DIE WOCHE in German
9 Aug 96 p 20

[Interview with Indonesian "opposition leader" Megawati Sukarnoputri by Andreas Lorenz; place and date not given: "Opposition With Reluctance"]

[FBIS Translated Text] [Lorenz] How are you coping with your new role as a symbol of democracy?

[Megawati] Many people think I slipped into this role because I am the daughter of state founder Sukarno. So what? I am proud of it. I have the mission to do something for my country.

[Lorenz] What are you going to do?

[Megawati] The people need someone to assume the responsibility to formulate what they want to say. They have had to be silent for 30 years. I put into words what is on their mind.

[Lorenz] For instance?

[Megawati] There are so many problems by which the people at the grass roots of society are affected — low wages, unemployment, deliberate expropriation of land, corruption, nepotism. The Indonesians want this to change. They want equal rights for everyone.

[Lorenz] Do you think a change of power in the near future is possible?

[Megawati] Yes, the problem only is how it will come about. I am doing everything to prevent bloodshed. What worries me, however, is that the government, in particular the Army, intends to stabilize the domestic policy situation by force instead of negotiations.

[Lorenz] The government does not permit you to run in the parliamentary elections in 1997.

[Megawati] It is doubtful whether it can implement this against the will of my followers. Suharto will consider very carefully whether he is ready to take the risk.

[Lorenz] Do you want to be designated as the opposite number of President Suharto in 1998?

[Megawati] This should be decided by my people.

[Lorenz] What specific goals do you have?

[Megawati] The government says the fact that there is no democracy is attributable to the unstable situation after the war and the fight for independence. However, this argument is no longer applicable. The people must finally have the right to vote for one of the three existing political parties. Government employees have been forced to vote for the Golkar state party. In addition, the parties should have the right to pick their leaders. So far, the party chiefs have been appointed by the government. I am the first elected chairperson.

[Lorenz] Do you want a democracy for Indonesia according to the Western model?

[Megawati] By no means. Strictly speaking, opposition does not form part of our philosophy. We have our own democracy. Our Constitution is very good. We only must apply it correctly.

[Lorenz] Then are you only an opposition leader with reluctance?

[Megawati] Exactly. Suharto has made me an opposition figure.

Indonesia: Megawati Arrives at Police Headquarters for Questioning

BK0908031096 Hong Kong AFP in English
0251 GMT 9 Aug 96

[FBIS Transcribed Text] JAKARTA, Aug 9 (AFP) - Opposition leader Megawati Sukarnoputri arrived at the Central Jakarta Police Headquarters on Friday morning to be questioned as a witness in a case of slander against the president.

An AFP reporter said Megawati's black Volvo drove directly into the police compound where more than 100 journalists waited for her arrival.

Journalists were prevented from approaching Megawati by a cordon of police.

Megawati, the leader of the Indonesian Democracy Party (PDI), was accompanied by two of her lawyers, Robert Tambunan and Luhut Pangaribuan and a team of other officials.

PDI parliamentarian Aberson Silalahi, who was summoned to appear Friday as a witness in the same case, also arrived with Megawati.

It is the second time Megawati has been summoned to the police headquarters this week to be questioned as a witness in a case of alleged slander against President Suharto by an opposition activist.

On Monday she failed to show up because her lawyers cited a number of technical problems with the summons.

Megawati is daughter of the late president Sukarno.

Four other PDI officials will be questioned next week — Sophan Sophian and Sukowaluyo Mintoraharjo on Monday and Sabam Sirait and Sutarjo Suryoguritno on Tuesday, PDI officials told AFP.

Indonesia: Police Question PDI's Megawati, Colleague

BK0908092996 Jakarta SUARA PEMBARUAN
in Indonesian 9 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, 9 Aug — Megawati Sukarnoputri and Aberson Marie Sihalohe arrived at the Metropolitan Jakarta Police headquarters on Friday morning (9 August) to be questioned by the Criminal Investigation Directorate as witnesses in the case of Budi-man Sujatmiko (chairman of the People's Democratic Party, or PRD) who has been charged with slandering the president.

Megawati, wearing black and white, entered the Metropolitan Jakarta Police headquarters at 0915 West Indonesian Standard Time. Aberson, wearing a gray coat, black trousers, and a red necktie, arrived at 0918 West Indonesian Standard Time. They are accompanied by a number of lawyers, grouped in the Team for the Defense of Indonesian Democracy [TPDI].

The lawyers are R.O. Tambunan, S.H. [Master of Law], Bambang Wijanarko, S.H., Yothan S.H., Luhut Pangaribuan, S.H., Pantas Nainggolan, S.H., and Max Lamuda, S.H.

Megawati and Aberson are also accompanied by a number of members of the Central Executive Council of the Indonesian Democratic Party (PDI) elected at the 1993 National Consultative Meeting. They are Alexander Litauy, Sutarjo Suryoguritno, Mangara Siahaan, and Novianti Napitjon. In addition, a number of PDI members of the House of Representatives of the Republic of Indonesia, including Sophan Sophian and Sukowaluyo Mintocharjo, are also in Megawati's entourage. They did not, however, enter the investigation room of the Criminal Investigation Directorate of the Metropolitan Jakarta Police headquarters. They are staying at the Journalists Hall of the Metropolitan Jakarta Police headquarters, located only 200 meters from the place where Megawati and Aberson are being investigated.

Also Summoned

Meanwhile, Sophan Sophian said on the parking lot of the Criminal Investigation Directorate of the Metropolitan Jakarta Police that he and Sukowaluyo Mintocharjo would comply with a police summons to appear as witnesses on Monday (12 August). He said that other PDI members of the House of Representatives — Sabam Sirait and Sutarjo Suryoguritno — would be investigated on Wednesday (14 August). They will all be investigated and questioned as witnesses about the case of Budiman Sujatmiko and his friends. [passage omitted]

Indonesia: 232 Vietnamese Refugees Repatriated by Air

BK0908072896 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 9 Aug 96

[FBIS Translated Text] About 232 Vietnamese boat people have left for home aboard a wide-bodied A-300 airbus belonging to Garuda Indonesia, the national carrier. Major General Arie Kumaat, commandant of the Galang '96 Humanity Task Force, told reporters in Batam that it was the third repatriation of boat people by the national carrier. He said the Indonesian Government would continue to facilitate the repatriation of boat people by sea or air.

Laos

Laos: Vietnamese Border Group Arrives for Annual Meeting

BK0808160296 Vientiane KPL in English 0926 GMT Aug 96

[FBIS Transcribed Text] Vientiane, August, 07 (KPL) — A delegation of the border committee of the Socialist Republic of Vietnam, led by its chairman Mr. Tran Cong Truc, arrived here yesterday to attend the sixth annual meeting with a delegation of Lao counterparts, to be held here between August 7-13.

During the talks, the Lao and Vietnamese delegations will evaluate the implementation of the agreement on border regulations reached between the two neighbours on March 1, 1990. They will also review the minutes to the fifth annual session from last year.

Discussions are also expected to improve and update the content of the border agreement to suit current realities in the two countries. It is hoped this will turn the common border into one of peace, friendship and everlasting cooperation.

Laos: Foreign Minister's Activities in New Zealand Reported

BK0808145296 Vientiane KPL in English 0929 GMT 8 Aug 96

[FBIS Transcribed Text] Vientiane, August 07 (KPL) — In response to the invitation of HE [His Excellency] Don McKinnon, vice premier, minister for foreign affairs, and minister of commerce of New Zealand, a Lao delegation led by Foreign Minister Somsavat Lengsavat left here for New Zealand for its official visit on July 31.

The visit, the first ever made by a high level delegation, was warmly welcomed by the host country.

In Wellington, the Lao minister held talks with New Zealand's ministers of commerce, agriculture, and forestry, dealing with socio-economic development, and strengthening of the friendship and cooperation between the two countries, including cooperation within the framework of ASEAN.

New Zealand praised the Lao government's policy of renovation, in accordance with the market mechanism, and its open-door policy of foreign cooperation. The NZ [New Zealand] government also welcomed the preparation of Laos for ASEAN membership in the coming year.

New Zealand is ready to increase relations with Laos both on a bilateral level and within the framework of ASEAN. This South Pacific country will provide assistance in the fields of English training, agriculture, forestry, law, external relations, etc. Additionally, New Zealand will promote investment in Laos and contribute to development in the lower Mekong river basin.

The Lao delegation met with New Zealand businessmen, visited the Victoria University, held talks with Lao officials studying in New Zealand, and met Lao residents who have settled in New Zealand. In Auckland, the Lao delegation held talks with businessmen, and visited the Auckland technology institute. The delegation also visited Lao residents, farms, and ecotourism sites in Rotorua city.

Thailand

Thailand: Court Extradites Khun Sa's Associate to U.S.

BK0908062496 Bangkok BANGKOK POST in English 9 Aug 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] The extradition of an associate of Khun Sa to the United States was ordered by the Criminal Court yesterday.

Ying Chiwa, or Chali Youngwirikun, could be extradited to stand trial on drugs trafficking charges in three months if the Appeals Court upholds the ruling.

Chali and 10 others were indicted by a New York court on suspicion of involvement in a bid to import heroin in November 1984-September 1988.

Thailand: Tax Pact With U.S. Planned Before Clinton's Visit

BK0908073096 Bangkok THAILAND TIMES in English 9 Aug 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Deputy Foreign Minister Pracha Khunakasem yesterday said negotiations on the double taxation avoidance agreement between Thailand and the United States would be worked out before a state visit to Bangkok by United States President Bill Clinton at the end of this year.

But Pracha said the negotiations on the treaty was not on the top agenda in Clinton's state visit to Thailand.

"The state visit of President Clinton is more important than the negotiation on Thai-U.S. double tax avoidance treaty. However, it depends on Clinton's decision," he said.

The 14-year-old negotiations to avoid double taxation between Thailand and the United States has still not been concluded.

The double taxation negotiations, which started in 1982, were aimed at facilitating taxation for businessmen in both countries.

The fact that Bangkok and Washington have not reached an agreement over the tax rate of each product and the different tax laws delayed the negotiations.

U.S. businessmen and officials expect Clinton will sign the double taxation treaty if the pact was ready to be enhanced before his visit to Thailand.

They said the pact was necessary for small and medium investments.

Pracha said the negotiators would try to work out the treaty as fast as possible before Clinton's visit.

Clinton will visit Thailand on his way to attend the Asia Pacific Economic Cooperation (APEC) Summit in Subic Bay, in the Philippines, in November, said Pracha.

Thailand: Ministry Seeks To Beef Up Exports to ASEAN Market

BK0908072596 Bangkok THE NATION in English 9 Aug 96 p B4

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] The Commerce Ministry will seek ways to cut the cost of Thai exports after Thailand lost its share in the promising ASEAN market in the first five months of this year to the more competitive exports from Hong Kong, China, South Korea and China.

According to Commerce Minister Chuchip Hansawat, Thailand exported less to the ASEAN market in the first five months. He cited the export growth rate of only 11.6 per cent from Jan-May this year, compared to the growth rate for the whole 1995 of 34.3 per cent.

Active Thai exports to the ASEAN market are mostly in a transition process. Their market share therefore is vulnerable to export items from countries which are more competitive than Thailand. The most active Thai exports to ASEAN are integrated circuit boards, video players and parts, plastics, circuit boards, types of steel, bicycles and parts, gems and jewelry and plastic pellets.

ASEAN is expected to be the largest market for Thai exporters for the first time this year, beating the United States and Japan. Thailand has faced a relative trade surplus with ASEAN countries since 1993, largely because of the inception of the ASEAN Free Trade Area (AFTA). In 1993, Thailand recorded a trade surplus with ASEAN countries totalling Bt [Thai baht] 10.46 billion, increasing to Bt56.1 billion last year.

Thai exports to ASEAN increased from Bt106.77 billion in 1992 to Bt279.84 billion last year, with an average annual growth rate of 34.3 per cent.

The imports from ASEAN countries also increased from Bt134.023 billion in 1992 to Bt223.746 billion last year, with an annual growth rate of 16.6 per cent.

However, the Commerce Ministry is worried that the prospects might no longer be positive. For example, Singapore, the biggest market for Thai exports with a 61.8 per cent market share, has slowed down orders, bringing exports down by 0.4 per cent in the first five months of this year.

The Commerce Minister has assigned officials involved to find ways to help Thai exporters cut production costs and improve their competitiveness by finding new sources of raw materials and accelerate the process of tax reimbursement.

Trade between Thailand and ASEAN increased 13.4 percent in the first five months this year compared to the same period last year.

The ministry's Business Economics Department reported that total trade for the five month period was Bt223.85 billion, with Thailand showing a surplus of Bt16.67 billion in its trade with the other six-ASEAN members.

However, while Thai exports to ASEAN countries were up 11.6 per cent to Bt120.25 billion, they were still outstripped by import growth of 15.5 per cent to Bt103.58 billion.

Among the biggest export increases were computers, up 41.8 per cent to Bt31.86 billion, sugar (129.8 per cent to Bt9.68 billion) and rice (66.43 percent to Bt7.24 billion).

Meanwhile exports of video recorders dropped 30.6 per cent to Bt1.91 billion. Electric circuit exports declined by 0.7 per cent to Bt8.17 billion.

Thai imports of electrical machinery from other ASEAN countries rose 25 percent to Bt11.57 billion, while the lower volume sector of industrial machinery grew 76.5 per cent to Bt4.49 billion.

Imports of electrical circuits were up 38.1 per cent to Bt6.52 billion. Crude oil imports were Bt10.16 billion, down 3.8 per cent.

Thailand: Pramon: Chawalit To Have 'Final Say' in Reshuffle List

BK0908071796 Bangkok BANGKOK POST in English 9 Aug 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut will have the final say on the military reshuffle list, Army Commander-in-Chief Pramon Phansin said yesterday.

However, he believes the minister would not interfere with the recommendations and any changes to the list would be based on "righteousness and appropriateness".

An army source said Gen. Pramon, who will retire on September 30, would convene a meeting of top commanders today to discuss the list, especially the part concerning the five top posts in the Army.

The source said Gen. Pramon has recommended:

Deputy Army Commander-in-Chief Gen. Chettha Thanacharo be made commander-in-chief.

Assistant Commander-in-Chief Gen. Bandit Malaisrisun be made deputy army commander.

Assistant Commander-in-Chief Gen. Thawan Sawangphan be made army chief-of-staff.

First Army Region Commander Gen. Winit Krachangson be promoted to assistant army commander-in-chief.

Deputy Army Chief-of-Staff Lt. Gen. Chan Bunprasoeet be made assistant army commander-in-chief.

Thailand: Minister Chaloom Leads Push To Oust Prime Minister

BK0908080596 Bangkok THE NATION in English 9 Aug 96 pp A1, A6

[Unattributed Report]

[FBIS Transcribed Text] Justice Minister Chaloom Yubamrung yesterday declared war on Prime Minister Banhan Sinlapa-acha, who he said was losing the mandate to run the country, bringing the fragile unity of the seven-party coalition government to a critical low point.

As Chaloom demanded Banhan's resignation, and his replacement as prime minister by Defence Minister and Deputy Prime Minister Chawalit Yongchaiyut, a Social Action Party MP claimed that a group of coalition and opposition lawmakers were planning to launch a signature campaign to force Banhan to resign.

In the strongest criticism a Cabinet member has ever made against Banhan, Chaloom repeated his allegations about major bribery in the new bank licence affair, called on other coalition parties to gang up against the prime minister and asked the opposition to quickly submit a no-confidence motion.

The unexpected outburst came one day after Chaloom alleged that Bt (Thai baht) 750 million had been paid under the table for each of the new bank licences. Successful bids have been declared by a government screening committee but a group with connections to Chaloom was rejected.

Chaloom, speaking at Parliament, said that he received the bribery information from a former finance permanent secretary. He insisted that the granting of new bank licences needed Cabinet "approval", not just "acknowledgment".

"I raised this issue because of my concern for the country. I have to speak out because people seldom trust this government. They have no faith in this government.

You can see from the fact that people tend to believe every allegation leveled against the administration," said the Muanchon leader, whose party has only three MPs.

He denied joining forces with Chawalit, who was also disappointed by the rejection of the War Veterans Organisation's bid for a bank licence. But Chaloe, once a staunch "Banhan guardian" who would rise to counter even mild criticism against the prime minister, said Chawalit was now the most suitable person to lead the government.

"Gen. Chawalit should have been prime minister a long time ago, but he is too much a gentleman, having tried his best to support this government. He has done so despite knowing that a certain group in the coalition has tried to discredit him," Chaloe said.

"I became justice minister not because of Banhan, but because of the consensus of the seven coalition parties. When I censured the Chuan government last year, bringing it down, Banhan just sat and watched. Only I, Newin Chitchop, Samak Sunthorawet and Gen. Chawalit led the no-confidence attacks in Parliament.

"So Banhan should not get the wrong idea that he owns the government. This administration belongs to seven parties, and if he is not there at the helm, somebody else can always do his job."

Asked if other coalition leaders were having the same feelings against Banhan, Chaloe said: "I can't speak on their behalf. But none of them is foolish. They all eat rice like I do."

Chaloe asked reporters to stop calling for a House dissolution.

"Parliament has done nothing wrong," he said. "This is a coalition government, not Banhan's government. If he can't do the job, let someone else take his place. Gen. Chawalit is suitable, even better than Banhan. Don't tie the country's fate to just one person. This is a matter of seven political parties, 232 MPs".

Chaloe said even Chat Thai president Praman Adireksan could take over from Banhan, as could Phalang Tham Party (PDP) leader Thaksin Chinnawat, and "myself if we couldn't find anybody else".

Banhan unsuccessfully tried to contact Chaloe all day, sources close to the prime minister said. He had an urgent meeting with key Chat Thai men, including Sano Thianthong, Thawit Klinprathum and Ruangwit Lik.

They concluded that there were "only" three possible causes of Chaloe's outburst: the bank licence affair, the decision to have all deputy prime ministers join Ban-

han in announcing the government's first-year achievements (this would leave out Muanchon, which doesn't hold a deputy prime minister post), and conflicts concerning bills related to the Justice Ministry.

"Some conflict of interest could have made him speak like that," said Deputy Chat Thai leader Burin Hirunburana. "And why is he doing that just before the next round of the budget debate? The prime minister must move fast to clear things up or there will be serious problems."

Banhan refused to comment on Chaloe, waving off reporters' questions and repeating that "There's nothing (wrong)". But the Chat Thai sources said he was tense and probably very angry.

Government spokesman Somsak Pritsananthakun said that tension will ease today when both men meet at a reception ceremony for Olympic gold medalist Somluk Khamsing. Earlier Chaloe said that he will see Banhan only next week at the Cabinet meeting.

Wichian Khaokham, a Social Action (SAP) MP, claimed that members of the SAP, Phalang Tham and New Aspiration parties were planning to gather some 150 signatures to force Banhan to resign "before he is ousted at military gunpoint". He said some opposition MPs will support the move.

"We are doing this because the political crisis is reaching a peak. After the budget bill is passed, we will queue up and march to Government House and submit him the letter," he said.

The proclaimed campaign could not be confirmed yesterday, but some government sources admitted pressure was apparently building up for a drastic change in the administration. There are factions in the government, the sources claimed, that believe the political situation will not get any better as long as Banhan stays in power.

PDP leader Thaksin, commenting on the Bt750-million bribery allegation, said he did not have first-hand information, but admitted the issue was affecting the already poor image of the government.

"We should keep following this," he said. "There shouldn't have been this kind of allegation at all if it isn't true."

Chawalit, whose relationship with Banhan has been shaky because of delayed arms projects and the upcoming military reshuffle, was less belligerent yesterday.

"This (bank licence issue) is not the first coalition conflict," he said.

**Thailand: Prime Minister Instructs Officials on
Narcotics, Crime**

*BK0908062296 Bangkok Radio Thailand Network
in Thai 1200 GMT 8 Aug 96*

[FBIS Translated Excerpt] Regarding the current problem of narcotics, especially amphetamines, the prime minister urges serious suppression in every province.

At a meeting of high-level administrators of government agencies and provincial governors throughout the country at Government House this morning, Prime Minister Banhan Sinlapa-acha instructed them to cooperate in arresting both producers and sellers of narcotics, thus obstructing the spread of narcotics into academic institutions and congested communities.

[Begin Banhan recording] Regarding the issue of narcotics, I think this problem is widely known by the public, including the police. High-ranking police and government officials know the problem very well. This problem also exists in my province, Suphan Buri, and suppression has been carried out everyday. I have asked the chief of the Narcotics Suppression Division if the original source of narcotics could be arrested. We can arrest the consumer. But what should we do about the source? After heavy suppression, the price of amphetamines has now risen from 50-60 baht to about 100 baht a tablet. This could induce a person to commit criminal acts, which poses a big threat for society, because he could get a lot of money from each crime and therefore does not want to take other jobs.

Most of narcotics trafficking activities are carried out in the northern part of the country, be it opium, marijuana, or heroin. I would like to say that, narcotics have been spread to many provinces, or almost all provinces. At present, it has spread to various schools, all congested communities in Bangkok, or even in some prisons. It has also spread to workers. This is such an important issue that I would like to ask you all to oversee it. [end recording]

Regarding terrorism in the southern border provinces and the bomb blast attempt last week, the prime minister said that he instructed provincial governors in respective areas to extraordinarily oversee the problem and find ways to prevent it. However, he is confident that there will be no violent incident.

[Beginning Banhan recording] Recently, this problem has occurred in the south. It is strange that this terrorism problem normally arises during this time of the year in some southern provinces including Narathiwat, Pattani, Yala. This morning, I discussed this problem with the Police director general. These kinds of incidents have taken place in Narathiwat Province and we do not know

why. However, I ask provincial governors in the south to extraordinarily cooperate with police to tackle the problem. Whenever any event occurs, please tackle it quickly. Police officials should be sent out to patrol various points. I do not think the situation will develop into a violent one like the case of school burnings a few years ago, which caused troubles for teachers and students. I would like to ask the governors to instruct district chiefs to pay special attention to this problem. [end recording] [passage omitted]

**Thailand's NSC: Military, Police in Immigration
Racket**

*BK0908074996 Bangkok THE NATION in English
9 Aug 96 p A6*

[Report by Piyanat Sriwalo]

[FBIS Transcribed Text] The National Security Council [NSC] has found that police and military officers were heavily involved in the smuggling of illegal immigrants into the country, a top security official said yesterday.

This has resulted in the number of unlawful immigrants swelling to over 700,000, NSC Deputy Secretary-General Khachatphai told a seminar. He said foreign labour could pose a threat to national security and even lead to large-scale racial conflict over the next 10 years if it was not controlled immediately.

Prime Minister Banhan Sinlapa-acha, who chaired the seminar at Government House, in his opening speech earlier cited a report that had concluded that ineffective immigration controls also contributed to the problem.

Khachatphai said the number of illegal immigrants would soon reach one million, due to further immigration and birth rates.

"And the children will automatically become Thai citizens if born to Thai fathers," he said.

"If we cannot control the problem now, we may face disturbances by minority groups, or even racial conflict, which any future government could find almost impossible to solve or control," he said.

He added that the NSC's current solution was to limit the stay of illegal immigrants to two years. This followed the Cabinet's recent decision to allow illegal immigrants to work in selected fields if they registered with authorities. This would permit greater control over their movements.

After the two years they would be sent home. This complied with international laws on human rights, Khachatphai said. Repatriation could be postponed if

future governments decided that their labour was still needed to assist economic development.

Khachatphai said a large proportion of the illegal immigrants, totalling about 101,000, were Burmese, but only 1,000 of them report to Thai authorities when entering the country.

Of the many provinces bordering Thailand's five neighbouring countries, where migration rates are reported as very high, only Ranong, Tak, Kanchanburi and Chiang Rai, all of which border Burma, had the facilities to allow registration of those entering, he said.

Of the balance of the illegal immigrant population, an estimated 120,000 were from China, 50,000 from countries in the South Asia region, and 10,000 from Cambodia and Laos, Khachatphai said.

Vietnam

SRV: Do Muoi Receives U.S. Democratic Party Delegation

*BK0708145096 Hanoi VNA in English
1432 GMT 7 Aug 96*

[FBIS Transcribed Text] Hanoi VNA Aug. 7 — Party General Secretary Do Muoi received here this afternoon president of the US National Policy Centre of the Democratic Party, Mr. Michael Dass Barnes, and his party who are on a visit to Vietnam.

Mr. Barnes congratulated Mr. Do Muoi on his reelection as general secretary of the Communist of Vietnam at the recent 8th party congress, and expressed his pleasure at the progress of the US-Vietnam ties.

Mr. Barnes said that the US National Policy Centre always supported the normalization of the US-Vietnam relations and it will continue contributing to the enhancement of friendship and economic cooperation between the two countries, as well as promoting investment of US and other foreign firms in Vietnam, particularly in energy industry and infrastructure development.

Party General Secretary Muoi welcomed the goodwill of Mr. Barnes and his centre who had contributed to the improvement of the relations between the two countries, promoting their bilateral economic cooperation.

The party leader affirmed that the party, government and people of Vietnam will persistently pursue their open-door foreign policy and befriend all nations, and that Vietnam wishes to build lasting friendship with the American people and promote cooperation between the two countries.

The Vietnamese leader asked Mr. Barnes to convey his greetings of friendship to US President Bill Clinton.

SRV: Radio Reports Reaction to U.S. Sanctions on Iran, Libya

*BK0808122196 Hanoi Voice of Vietnam in English
1000 GMT 8 Aug 96*

[Radio report]

[FBIS Transcribed Text] The United States President Bill Clinton on August 5th signed a bill to punish foreign firms that invest in the oil sectors of Iran and Libya with capital exceeding \$40 million per year. It is aimed at punishing Iran and Libya for supporting international terrorism. The U.S. Government the following day called for the EU [European Union]'s joint efforts to isolate Iran and Libya. However, allies of the United States and many other countries in the world have been strongly criticizing the bill. Here is a sample of their opinions:

The vice chairman of the EU Committee said the bill would be detrimental to the EU's interests. France, Germany, Britain, Italy, Canada, and Japan all showed strong reaction against the U.S. move. The French Foreign Ministry spokesperson affirmed that France would not let the bill affect France's interests. The British Government stated that the U.S. pressure on its allies was unacceptable and London would hold urgent talks with the EU member countries on this issue. The German economic minister reaffirmed the EU's protest against U.S. imposition of trade sanctions outside the United States and he said this was not an appropriate measure to take against increasing terrorism. The Japanese Foreign Ministry spokesperson said the new bill would be detrimental to the World Trade Organization's free trade regulations. The Pakistani Foreign Ministry spokesperson said it was necessary for the United States and Iran to hold talks to settle their conflict on terrorism. Pakistan disapproved the U.S. new bill and affirmed that the Pakistani-Iranian relationship would not be affected by it. Meanwhile, Russia strongly denounced the United States saying the bill was unacceptable and against international laws.

SRV: Party Paper Views Terrorism Against United States

*BK0808163396 Hanoi NHAN DAN in Vietnamese
4 Aug 96 p 4*

["Commentary" by Le Nghiem: "A Terrible Summer for Americans"]

[FBIS Translated Text] Three tragedies occurred against the United States within about a month and caused shock around the world: a bomb explosion at the U.S. Army base in Saudi Arabia, causing 19 fatalities and injuring over 200; the Boeing 747 airplane crash

near New York leaving 230 people dead; and a bomb explosion at Olympic Park where thousands of people were gathered, causing two deaths and 112 injuries. Behind the events are the hidden hands of terrorists, which is a warning of burgeoning terrorism and a wave of violence that threatens and challenges the United States in the "civilized" world.

Terrorist acts indiscriminately killing hundreds of innocent people are extremely barbarous, inexcusable, and unacceptable. These actions push countries of the world to join in efforts to prevent international terrorism.

Judging the recent tragedies from another perspective, however, Americans are now contemplating and looking at themselves.

First, the terrorist danger is partly nurtured from within U.S. society itself. Americans themselves have to admit that violence and terrorism exist within the United States.

Whenever terrorism has occurred before, Americans would immediately point their fingers at other countries to find the culprits. This time, however, regarding the direction in which to look for suspects, President Clinton has only said cautiously: "It is necessary to open our minds." Reality shows that there are elements within U.S. society who are waging a war against the United States. The culprit in the bomb explosion at the government office building in Oklahoma last year was an American. Last April, the Federal Bureau of Investigation (FBI) arrested Theodore Kazinski, a recluse from the state of Montana who has been killing people over the past 18 years using letter bombs, in the same way as the Unabomber character in a best-selling American novel. Only recently on 1 July, the FBI again arrested a group of 12 people in Arizona who plotted to bomb government offices. There were over 3,000 cases of bomb explosions in 1994. Guns and ammunition are popular. With easy-to-get explosives, together with readily available instructions on the Internet, people can easily produce a pipe bomb similar to the one used at the Olympic Park.

Second, many U.S. diplomats admit that the United States has a lot of enemies. In recent years, U.S. diplomatic circles have been extremely concerned by the rising wave of anti-Americanism in the world, especially in the Middle East. They hold that the reasons behind this move are the presence of Americans in the Middle East and the unconditional support that Washington has been giving to Israel. In the past 15 years, the United States has closed its embassies in Afghanistan, Iraq, Iran, and Libya. The remaining embassies in this region are being protected like fortresses. Part of the U.S. Embassy in Cairo could survive a nuclear explosion. In

Beirut, the U.S. ambassador has to travel in a motorcade armed with machine guns.

The ironic point is that the "talon" of anti-U.S. feeling is none other than their own offspring. Among the terrorist groups that threaten U.S. interests are thousands of mercenaries who were formerly (and even recently) recruited, trained, and equipped by Washington to conduct the war against the army of the (former) Soviet Union in Afghanistan during 1979-89. U.S. documents confirmed that the CIA provided many billions of U.S. dollars to keep this mercenary army alive (an army that was considered the largest in U.S. military history). It was U.S. military experts who taught them how to use a surprise move to strangle an enemy guard and how to make and use a car bomb, like the type that was used in the sabotage attack at the World Trade Center in New York in 1993. Most of these mercenaries did not leave the army to lead a normal and honest life. They instead spread to other countries and continued their work, this time against their U.S. boss, for example the bomb attack in Dhahran (Saudi Arabia) on 25 June.

Reality shows that in order to implement a common motto that serves as the basis for the foreign activities of all countries—"More friends and less enemies"—the United States should review its policies. World opinion of late shows concern over a diplomatic trend of selfishness, authoritativeness, and putting the United States first in international relations. Recent demonstrations of this trend are the Helms-Burton Law against Cuba, where the U.S. strived to impose their law on the whole world, and the efforts to impose on other countries their obsolete sanction policy against Iran and Libya, creating frustration even among the closest allies of the United States, such as Canada and the West European countries. A recent issue of *ASIAWEEK* commented: Such a policy of putting "self" above all can hardly serve the interests of the United States itself, let alone global peace and prosperity. Such a policy only encourages the logic of the law of the jungle, where might is right. That policy, *ASIAWEEK* continues, will spread the seeds of conflict in the future.

Americans will extract many lessons from this "terrible summer." Public opinion, however, has already issued the warning: Those who plan to use force for wrongful actions should not forget that those who sow the wind will reap a whirlwind.

SRV: Sino-Vietnamese Joint Working Group Meets
BK0808150696 Hanoi VNA in English
1407 GMT 8 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 8 —
The Sino-Vietnamese Joint Working Group for the

delineation of the Bac Bo (Tonkin) Gulf met at its seventh session in Hanoi from August 5-7.

At the meeting, which took place in an atmosphere of friendship and frankness, the two sides discussed the scope, content, legal basis, related conditions and methods of the demarcation of the Bac Bo Gulf on the basis of bilateral agreement on the fundamental principles to settle border and territorial issues signed by Vietnam and China on October 19, 1993 and results achieved at earlier negotiations to find a fair solution. The two sides shared the view that this session was useful in promoting their mutual understanding.

The two sides signed the minutes of the working session on August 7. The next session will be held in China at the end of this year.

All members of the working group were received yesterday by Vietnamese Deputy Foreign Minister Vu Khoan. Chinese Ambassador to Vietnam Li Jiazhong was present at the reception.

SRV: Cultural Cooperation Agreement Signed With Thailand

*BK0808145796 Hanoi VNA in English
1417 GMT 8 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 8 — Vietnam and Thailand signed in Bangkok today an agreement on cultural cooperation enhancing their cultural exchange to a new level.

The agreement was signed by Thai Foreign Minister Anand Panyarachun and Vietnamese Minister of Culture and Information Tran Hoan who is on a working visit to Thailand from August 5-9 at the invitation of the Thai foreign minister.

Under this agreement, the two sides will facilitate and help each other in organising such cultural activities as art performances, exhibitions, conferences and seminars on culture, exchange of visits by related organisations, as well as the exchanging of publications, broadcasting programmes and the teaching of the Vietnamese and Thai languages. Other cooperation fields include education and research, mass media, youth movement, sports and religion.

A joint commission will be formed to assess the implementation of the agreement.

While in Thailand, Minister Tran Hoan also met with Education Minister Sukhawit Rangsitphol.

He and his entourage have visited a number of economic and cultural establishments in Chiang Mai.

SRV: Nguyen Manh Cam Receives Lao Assembly Delegation

*BK0608160196 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 5 Aug 96*

[FBIS Translated Text] Foreign Minister Nguyen Manh Cam received in Hanoi on 5 August a delegation of the External Relations Commission of the Lao People's Assembly headed by its chairman, Dr. Khamlieng Pholsena, now on a working visit to Vietnam.

Foreign Minister Nguyen Manh Cam welcomed the official visit of the External Relations Commission of the Lao People's Assembly to Vietnam. He expressed his satisfaction with the results of bilateral talks, and his hope that the delegation's visit would contribute to promoting existing traditional relations of friendship and cooperation between the national assemblies and peoples of the two countries.

SRV: Vietnam-Russia Friendship Association Formed

*BK0808100296 Hanoi VNA in English
0709 GMT 8 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 8 — The Vietnam-Russia Friendship Association of Hanoi (VRFAH) made its debut here on Tuesday.

The association, a member of the Hanoi union of friendship organisations, is aimed at further developing the time-honoured friendly and cooperative relations between the two capitals of Vietnam and Russia, Prof. Dr. Nguyen Nang An, VRFAH president said.

Russian charge d'affaires in Vietnam V. Alexandrovitch and other officials from the Russian Embassy were present at the event.

SRV: Cuban Institute of Friendship Delegation Visits

*BK0708145396 Hanoi VNA in English
1427 GMT 7 Aug 96*

[FBIS Transcribed Text] Hanoi VNA Aug 7 — A delegation of the Cuban Institute of Friendship with the Peoples (CIFFP) led by its vice president Eva Seane has paid a working visit to Vietnam from July 28-Aug.3 at the invitation of the Vietnam Union of Friendship Organisations (VUFO).

While here, the Cuban guests held talks with leaders of the VUFO and the Vietnam Association for Friendship with Cuba. Host and guest shared experience in promoting activities for friendship and solidarity with other nations and discussed [words indistinct] relationship between Vietnam and Cuba in the future.

The Cuban guests were received by senior officials from the Commission for External Relations of the Party Central Committee, and visited some mass organizations in Hanoi, Ho Chi Minh City and Ha Tay Province which made big contributions to the recent fund raising drive launched nationwide to assist the Cuban people.

They paid a tribute to President Ho Chi Minh at his mausoleum. They also toured some economic and cultural establishments in Hanoi, Ho Chi Minh City and Ha Tay.

SRV: Vietnam-Macao Air Services Agreement Signed

*BK0808100196 Hanoi VNA in English
0713 GMT 8 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 8 — Relations between Vietnam and Macao should develop with the signing in Hanoi yesterday of an air services agreement.

The agreement lays the foundation for the commencement of regular air services between Vietnam and the Portuguese colony.

The agreement covers articles such as the applicability of the Chicago Convention, grant of rights, exercise of rights, application of laws and regulations and designation and authorization of airlines.

The agreement was officially signed by Mr Nguyen Hong Nhi, director general of the civil aviation administration of Vietnam and Mr. Vasco Rocha Viera, governor of Macao.

SRV: Totally Foreign-Invested Projects Reportedly Increase

*BK0708084196 Hanoi VNA in English
0620 GMT 7 Aug 96*

[FBIS Transcribed Text] Hanoi VNA Aug. 7 — One hundred percent foreign-invested projects have seen an increase in Vietnam in the first six months of this year, accounting for half of the total licensed projects and nearly 30 percent of the combined investment capital.

Of 1,500 operating projects with combined capital of over USD20 billion, 100 percent foreign-invested projects account for 27 percent of projects and 17.8 percent of capital. In the 1988-91 period, 100 percent foreign invested projects only accounted for six percent of foreign projects.

Most of the projects are small size, focusing on the light industrial sector, farm produce processing for export, and stock breeding. The number of projects which have investment capital above USD 10 million, have also seen

an increase, such as projects for film production (USD 25.7 million), watch chains (USD 18 million), toys (USD 14 million), and soft drinks (USD 13 million).

SRV: Man Arrested for Trafficking in Fake Banknotes

*BK0708142296 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 5 Aug 96*

[FBIS Translated Text] The 489th border working team in Thanh Hoa province has recently arrested Tang Van Phuoc—who was born in 1972, is a member of the Dao ethnic minority group, and resided in Phu Nhi village in Quan Hoa District—for trafficking in fake Vietnamese banknotes of the type of 10,000-dong denomination. The fake money, with a face value of 5 million dong, was brought from the Vietnamese-Lao border to the area for circulation. When being interrogated, Tang Van Phuoc tried to run away but was later captured.

SRV: Institute Official Discusses Socialist Orientation

*963E0019D Hanoi TAP CHI CONG SAN No 5
in Vietnamese Mar 96 pp 15-17*

[Article by Khong Doan Hoi, specialist at the Marxism-Leninism and Ho Chi Minh Thought Research Institute: "Socialist Orientation in Our Country, Right or Wrong?"]

[FBIS Translated Text] In the past, after a few years of economic rehabilitation and socialist transformation, the building of socialism in our country could be said to have originated from a simplistic, voluntaristic concept of socialism. We thought that it was possible to achieve socialism with *all its characteristics* after nationalizing and making the basic means of production public-owned without worrying about how that socialized production would fare in reality.

Gradually, from the actuality of crisis and economic stagnation we realized that it is impossible to immediately achieve socialism with all its characteristics on the basis of a formalistically socialized production system—a so-called "socialized" production system with productive forces of a very low standard that is far from being socialized to the level of an economic necessity. The level of achievement of the characteristics of socialism cannot be imposed according to one's subjective intention, but must depend on the actual standard of the productive forces and labor productivity in each specific period of history. That means the characteristics of socialism can be achieved only *step by step*. That is precisely what socialist orientation means.

In that sense, socialist orientation means a return to this Leninist thesis: "...the name Soviet Socialist Republics

means that the Soviet administration resolves to achieve the transition to socialism; in no way does it mean that the new economic system is already recognized as a socialist system."¹

Therefore, *the socialist orientation process in our country is the process of building the material and technical base of socialism, which is the crux of the process of producing socialization in reality.* This is an absolutely essential condition without which socialism would be merely an utopian ideology.

To lay the groundwork for socialism, we can only shorten *what we have to go through* according to the natural laws of history, but we cannot bypass it.

What is it that we have to go through? It is to strongly develop the productive forces, to socialize production in reality through various processes of switching from the agricultural economy to the industrial economy, from the rural model to the urban model, and from village and hamlet communities to national and international communities. The bourgeoisie itself should have completed these processes and should have socialized social production to the point of making capitalism a reality. Also for this reason *the process of socialist orientation in our country must necessarily be that of alternating direct and indirect socialism-building tasks, a process still replete with contradictions, paradoxes, and injustices which we must temporarily accept, and which will be gradually eliminated by the movement of history of socialism in reality.*

The socialist orientation also implies an unavoidable basic issue: that of the "who-will-beat-whom" era. Therefore, there is not only the possibility of proceeding in the right direction but also that of veering from it. Veering from the right direction is a real danger. The process of socialist orientation is definitely not an uneventful movement in a single desired direction, especially when the market mechanism is considered to be an objective means of socialist construction. This mechanism is a means of economic development, but this development harbors the danger of socialism being destroyed.

The Platform for National Construction in the Period of Transition to Socialism of our party identifies the six characteristics of the socialist society our people are building. To talk about socialist orientation is to talk about the *objective* that we must and will achieve. That is also the *corridor* of development and creation.

The platform also determines the *basic guidelines* directing the process of building socialism with its characteristics in our country. These guidelines are principled ones ensuring that we will not veer from the social-

ist direction; at the same time, they are fully imbued with the spirit of renovation, which helps guard against commission of the same old mistakes, and the spirit of achieving socialism with its characteristics step by step. For example, in the *revolution of production relations*, socialist orientation means establishing socialist production relations step by step in accord with the development of the productive forces. Therefore, production relations will be established from the lower to the upper level with variegated forms of ownership. It is the same in *distribution relations*: there will be several forms of distribution before we reach the stage of implementing the principle "from each according to his ability, to each according to his labor."

Since the advent of the *Platform for National Construction in the Period of Transition to Socialism*, various plenums of the party Central Committee since the Seventh Party Congress have taken one step further in concretizing the socialist orientation in all aspects of social life. After 10 years of renovation, our country has come out of a socioeconomic crisis and has recorded great achievements of important significance. Thanks to that, our country has been able to enter a new period: that of stepping up national industrialization and modernization.

In its general assessment of the socialist orientation process after 10 years of renovation, our party affirms: *In the main, the formulation and implementation of the renovation policy over the past years were correct and in line with the socialist orientation.* However, in the course of implementation there have been some persistent shortcomings and deviations resulting in *departure from the right direction at various levels and in certain places.* This is a judicious and serious assessment reflecting our party's high sense of responsibility for the destiny of the nation and millions of working people, the foundation of our system.

On the one hand, that assessment fortifies the pride of our people and inspires them to bring into play their self-reliant spirit in order to deliver our country from poverty and backwardness; *on the other hand*, it requires that everybody should turn their sense of responsibility to good account to overcome all obstacles on the way to a system in which the laboring people are masters.

In reality, aside from the heartening achievements that we must acknowledge, there are also issues that we should consider seriously, otherwise, complicated problems are likely to crop up, a danger caused by deviation from the socialist orientation. Among such problems are the following:

—Was the recent growth of our country's GDP rapid or slow? According to some calculations, we could

achieve a growth rate of 6 percent by funneling only \$1 billion into our national economy. So, what was the main reason for the recent growth of our country's GDP? Was it the result of our political line or effective management in our economic activities?

—Uneven economic growth causing a great disparity between different regions. Hanoi and Ho Chi Minh have achieved a growth rate of 15 percent or more, while other areas have recorded a much lower growth rate. Thailand, which has enjoyed an economic growth rate of 7 percent for decades in succession, is being faced with the danger of being divided into two regions—one "developed" and the other "backward"—because of the uneven growth between the two regions.

—Economic growth accompanied by a widening gap in income. Despite the economic growth, the actual standard of living of a section of the salaried has gone down by one-third. Rice export has peaked, but the standard of living of the peasantry is too low compared with that of workers and city-dwellers (in 1995, the income of the people in the Mekong Delta was \$200 per year, whereas it was \$920 in Ho Chi Minh City). A matter of concern is the growing disparity in income between different social strata.

—To date, the trade deficit has reached \$2.3 billion, double that of 1995. The cause of this deficit is the continued increase in the volume of imported equipment and consumer goods.

—In reality, the all-people land ownership is being privatized. The per capita area of agricultural land has been reduced by 300 square meters in the past 10 years.

—One-third of capital is invested in services. The tendency of foreign countries in making investments is to recover their capital fast and to exploit a great deal of resources, while their input of modern techniques is negligible.

—The proportion of capital mobilized from among the people is too low, only 7 percent of the GDP (compared with 37 percent in Thailand and 15 percent in the Philippines). Domestic investment capital still is comprised mainly of state capital.

—"Consumerism" has developed vigorously among the middle and upper classes. The dependence of ideology on economics shows a steady upward tendency.

—Corruption, bribery, smuggling, and social evils have not decreased. The "sex industry" has developed to an alarming level.

—In the agricultural and rural development and industrialization programs, there are many targets that do not clearly reflect the steps aimed at enabling the state and cooperative economies to really become the foundations of the national economy.

—And so forth.

Are these facts healthy economic phenomena? Or are they phenomena of purely economic development, the one-sided development of productive forces, and the one-sided development of the market economy?

We cannot say yet that the above-cited socioeconomic phenomena are the results of conscious activities. However, to ensure that national development will proceed in the set direction, namely the socialist direction, we must pay attention to these problems and rectify them.

With regard to these socioeconomic phenomena which do not reflect the essence of socialism, a problem that is being posed for the immediate future is that there should be a continued effort to determine the quality and quantity of socialist orientation.

If socialist orientation is conceived as the achievement in reality of the characteristics of socialism, then there should be the determination of socialist quality and quantity for each stage and each plan. These are targets that must be achieved; at the same time, they are also concrete standards for determining if development is proceeding in the right or wrong direction. Naturally, this is an extremely difficult and novel task that can be fulfilled only through a review of realities.

For example, we talk about *industrialization along the line of socialist orientation*, we should make clear what socialist orientation is. In each five-year or 10-year plan, it is necessary to point out which targets to be achieved for the sake of the state economy and the cooperative economy (their proportions in the national income). If disparity in income in the community is unavoidable, then socialist orientation requires that a safety margin should be defined. There are many issues that call for a unified conception in order to provide guidance for action. For example, what is socialist orientation in the political, ideological, and cultural fields? What is the objective? What are the steps? Unified conception is essential for achieving unity of views and action.

Footnote

1. V.I. Lenin: *Complete Works*, Progress Publishing House, Moscow, 1977, Vol. 36, p 362

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 382
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2804
Washington, DC 20013-2804
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.